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Soviet Says It Has 'No Plans' For Further Talks With Israel

Gennadi I. Gerasimov

AP

By Philip Taubman
New York Times Service

MOSCOW — The Soviet Union said Tuesday that it was planning no further discussions with Israel after an inconclusive meeting Monday between Soviet and Israeli diplomats in Helsinki.

The chief Foreign Ministry spokesman, Gennadi I. Gerasimov, said at a news conference that the talks had produced no agreements and that "there are no plans for a continuation of this meeting."

Mr. Gerasimov's comments appeared to dash expectations that Moscow was prepared, at least for the moment, to move toward improved relations with Israel. The Soviet Union severed diplomatic ties with Israel during the 1967 Arab-Israeli war.

Western diplomats said that Moscow had been put on the defensive about the talks when they came under heavy criticism by Arab leaders and that it might have concluded that any potential gains would be offset by the hostile reaction in the Middle East.

Mr. Gerasimov specifically denied that the Helsinki talks had been intended as a first step toward restoring relations, saying that they had been held only to discuss consular matters.

"There was no backstage game going on," Mr. Gerasimov said. "We condemn Israel for its aggressive polices and will re-establish diplomatic relations only when it stops aggressive actions against Arab states."

An Israeli spokesman in Helsinki said after the 90-minute meeting that the two sides had agreed to continue contacts, and there were indications that the Soviet delegation might visit Israel in October.

Mr. Gerasimov said that the Helsinki meeting, initially expected to last two days, had broken up prematurely after the Israeli delegation raised "political questions," including the status of Soviet Jews, and proposed a reciprocal visit to Moscow by Israeli diplomats.

He said that Moscow had legitimate interests in Israel, including Soviet-owned property and Soviet citizens, that required attention at a consular level but that Israel had no similar interests in the Soviet Union. The Russian Orthodox Church owns several buildings in Jerusalem.

But there is no Israeli property in the Soviet Union, he said.

Mr. Gerasimov added that any suggestion that Soviet Jews were somehow the property of Israel, a statement he attributed to the Israeli foreign minister, Yitzak Shamir, represented "a very arrogant interference in the internal affairs of the Soviet Union and is totally unjustifiable."

■ **Peres Warns Moscow**

Glenn Frankel of The Washington Post reported from Jerusalem:

Prime Minister Shimon Peres

See MOSCOW, Page 6

Lin Heung Shing/The Associated Press

Pakistanis demonstrated Tuesday in Karachi to protest the arrest of Benazir Bhutto.

Toll in Pakistan Reaches 26 as Protests Weaken

By Barry Renfrew
The Associated Press

ISLAMABAD, Pakistan — The police dispersed demonstrators in Karachi, Dadu and other parts of southern Pakistan on Tuesday, and the death toll from anti-government protests reached 26. But the opposition's offensive appeared to be losing momentum.

The police and paramilitary units used tear gas and baton charges to break up an opposition march in Dadu, Sind province, witnesses said.

Scattered fighting persisted in parts of Karachi and elsewhere in Sind province. Bands of protesters pelted police patrols with stones before fleeing into side streets as officers fired tear gas.

The Movement for the Restoration of Democracy, an alliance of 11 opposition parties, is waging a nationwide campaign to remove the president, General Mohammed Zia ul-Haq, and force elections. General Zia is on a Moslem pilgrimage to Mecca and is expected home this week.

The top opposition leader, Benazir Bhutto, remained under detention Tuesday in a jail near Karachi.

The protests began Wednesday as the authorities rounded up hundreds of activists and banned anti-government rallies. Miss Bhutto was arrested the following day, and demonstrations were again held despite the ban.

Police said Tuesday that four officials of the opposition Pakistan People's Party were charged with firing on a march by government supporters in Lahore last Thursday, killing four of them.

According to witnesses, four people were killed in rioting in Lahore last week, but they died in clashes with police.

The police report named Jahangir Badir, party president in Punjab province; Salman Taseer, party spokesman, and Malik Hakmeen Khan and Sayed Nazim Ali Shah, senior party leaders. Mr. Khan and Mr. Shah were arrested earlier. Mr. Badir and Mr. Taseer are in hiding following a government political crackdown last week.

In 1977, General Zia overthrew Miss Bhutto's father, Prime Minister Zulfikar Ali Bhutto. Mr. Bhutto was found guilty of conspiring to kill a political opponent and was hanged in 1979.

General Zia and Prime Minister Mohammed Khan Junejo have rejected opposition demands that elections be held before those scheduled for 1990. General Zia lifted martial law Dec. 30. Although Mr. Junejo leads a civilian government, the president is commander of the armed forces.

About 5,000 people shouting

See PAKISTAN, Page 6

U.S. Stance on Test Ban 'Disappointing' to Soviet

Reuters

MOSCOW — The Soviet Union was disappointed by the failure of the United States to respond positively to its extension of a yearlong nuclear-test moratorium, a Foreign Ministry spokesman said Tuesday.

"So far we don't find anything constructive," said the spokesman, Gennadi I. Gerasimov, commenting on the White House's reaction to a speech delivered Monday by Mikhail S. Gorbachev. The Soviet leader announced that Moscow would continue its unilateral freeze on nuclear tests until Jan. 1.

Mr. Gerasimov said a statement by a Reagan administration official that Mr. Gorbachev's address contained a lot of propaganda was very disappointing.

"But we are still full of hope that common sense and reason will prevail," the spokesman said at a news conference. "And we feel the support of the world community at large."

While the United States quickly criticized Mr. Gorbachev's speech, West Germany said the Soviet move might be a useful step in moving toward a ban on atomic explosions.

Mr. Gorbachev said on Monday that the moratorium, which began on Aug. 6, 1985, was being extended despite Washington's refusal to join Moscow in halting nuclear tests. He said he was confident that an agreement on a test ban could be reached at a meeting with President Ronald Reagan this year.

Mr. Gerasimov was asked if that remark signified that another summit meeting was now a certainty. He replied that preparations were going ahead for a meeting in September between George P. Shultz, the U.S. secretary of state, and

See ARMS, Page 6

Vatican Censures Liberal U.S. Theologian

By Ari L. Goldman
New York Times Service

NEW YORK — The Vatican has revoked the authorization of a major liberal theologian to teach theology at Catholic University of America after a protracted battle over the priest's views on sexual issues.

The priest, the Reverend Charles E. Curran, a popular lecturer at the university in Washington, has generally argued that the church's opposition to divorce, birth control, homosexual acts and abortion should not be absolute.

The action, announced Tuesday at the Vatican, was the first time a censure action had been used against a Catholic theologian in the United States. It was last used in 1979 when the Reverend Hans Kung, a Swiss theologian, was silenced by the Vatican.

In a letter to Father Curran made public late Monday, the Vatican said it had acted "in light of your repeated refusal to accept what the church teaches." The letter said that the Vatican was notifying Catholic University that "you will no longer be considered suitable nor eligible to exercise the function of a Professor of Catholic Theology."

The letter, from Cardinal Joseph Ratzinger, the prefect of the Sacred Congregation for the Doctrine of the Faith, said that the action had been approved by Pope John Paul II.

The Vatican has been investigating Father Curran's writings since 1979. Earlier this year, the Vatican announced that he had to either retract his views or face dismissal. In turn, Father Curran argued that he should be permitted to continue to teach theology because he dissented from church teachings that were "noninfallible" and had a right to differ with official church positions.

The action against Father Curran is consistent with the pope's effort to reassert orthodox teaching and to discipline those who stray. Last year, for example, he ordered a period of silence for the Brazilian theologian, the Reverend Leonardo Boff, an exponent of liberation the-

See PRIEST, Page 6

AP

Charles E. Curran

Reagan Seeks To Move First On Sanctions

By Lou Cannon
Washington Post Service

SANTA BARBARA, California — President Ronald Reagan intends to impose additional U.S. economic sanctions against South Africa in an effort to head off more sweeping sanctions already approved by Congress, according to White House officials.

The new sanctions, the officials said Monday, would be contained in an expanded executive order that also would maintain measures against South Africa initiated by Mr. Reagan a year ago under similar congressional pressure.

Administration officials said they believed that stronger sanctions than those already in place would be necessary to persuade Congress not to override a Reagan veto of the far more sweeping sanctions that were approved last week.

The officials said that Mr. Reagan, who is on vacation at his mountain ranch near Santa Barbara, has not yet selected the precise sanctions that he will impose. But they said the president intends to act soon after Congress returns Sept. 9, about the time that the original sanctions order is scheduled to expire.

The executive order probably will coincide with the naming of a new U.S. ambassador to South Africa, an official said.

"The president remains strongly opposed to punitive sanctions," said a senior official, "but he intends to keep control of U.S. foreign policy."

Last year, faced with a similar threat from Congress, Mr. Reagan heeded the advice of Donald T. Regan, the White House chief of staff, and Robert C. McFarlane, who then was the national security affairs adviser, and imposed a series of limited sanctions.

These included banning the sale of South African krugerrands in the United States, limits on U.S. bank loans and sales of certain technology to Pretoria, and formally urging U.S. companies operating in South Africa to abide by the so-called Sullivan principles of voluntarily practicing fair employment.

Now, sources said, Mr. Reagan and John M. Poindexter, Mr. McFarlane's successor, are urging a similar course of action, which also is said to be favored by Secretary of State George P. Shultz.

The National Security Council staff has been ordered to draw up a series of options for the president on sanctions under Mr. Poindexter's direction, officials said.

The House of Representatives passed a bill that would impose almost a total trade embargo on South Africa, and the Senate has approved a bill that, although less sweeping, contains some strong economic sanctions.

James M. Thresher/The Washington Post

Mechanization is spreading to all sectors of society.

James M. Thresher/The Washington Post

Assembly line work has become common in South Korea.

South Korea's Secret: Work and More Work

Life Is Hard, but Getting Easier

By John Burgess
Washington Post Service

SEOUL — "We have a quota. We fill it." Kim Jom Sook, 24, an industrial seamstress, cannot spare much time to explain why she works so hard.

The minute or so she has given to visitors at her sewing machine at Jin Lee Garments Manufacturing Co. in Seoul has already put her behind in the 10-hour sprint that is a common working day for blue-collar workers in South Korea.

"They don't drink coffee, they don't smoke," Jin Lee's president, Lee Tae Bok, said approvingly, gazing over the room.

It is in places like this that the economic miracle of South Korea is rooted. Seamstresses, like other South Koreans, work as if their lives depended on it.

They live in spartan company dormitories. They commute standing up on jammed buses. They labor long hours with one day off a week. Their reward is an average of $70 a week for factory work, government figures for 1985 show.

However hard things may be, they are easier than they were.

Twenty-five years ago South Korea was a pauper nation. Today it is racing toward industrial affluence.

The gross national product per person was $82 in 1961; it is about $2,000 now, putting South Korea below Japan and Singapore but still ahead of some other Asian countries.

Last year the country exported goods worth $30 billion, meaning, by some counts, that it was the world's 12th largest trading nation.

South Korea boasts automobile production lines with robot welders, dust-free laboratories stamping out advanced computer chips, and a steel plant that has been rated the world's most efficient. But it is operations like Jin Lee, which means "double progress," that are more representative of the whole: lots of people, little technology, no waste.

The changes wrought by economic development on Korean society are hard to fathom.

In a single generation a nation of farmers has become a nation of workers; about 70 percent of the 40 million South Koreans live in urban areas.

Many of the ills of runaway capitalism have appeared — pollution, sweatshops and strong anti-unionism — but few calls are heard to turn back the clock.

Delegations from other developing countries often come to Seoul hoping to divine the secret of success.

No single explanation suffices. But often cited are Confucian discipline; shrewd, often ruthless government controls; good education; and a martial mood honed by unending confrontation with North Korea.

The Koreans have a word, *koseng*, often translated as "hard times." It might be a company's year of low sales, a politician's term in jail or a minister's struggle to build a new church. It is something everyone experiences and overcomes, extracting a grim kind of pleasure along the way.

An example is Anh U Su, 22, an unmarried spray-painter who works 11 hours a day, six days a week in a factory outside Seoul that makes plastic tables. Mr. Anh finds his life trying but not intolerable.

"If I work as hard as I can," he said, "the company will grow, and my wages will grow, too." He occasionally gets stomach pains from inhaling the paint fumes but presses on.

Koreans bristle at being compared to their former colonial masters, the Japanese. But they are mimicking the Japanese development strategy, although on a smaller scale.

Their sales to the United States in 1985 totaled about $11 billion, compared with Japan's sales of $70 billion or more. Like Japan, Korea has no significant resources beyond its people. And, like Japan, it decided to solve that problem by betting everything on exports.

South Korea began in the 1960s with simple goods — toys, clothing, shoes, kitchenware and wigs. The government encouraged exports.

By 1970 exports had reached almost $1 billion. In the following decade ships, steel and color television sets became big export items. So did labor. Thousands of Korean construction workers built highways, ports and housing projects in the newly rich oil-producing countries of the Middle East.

By 1980, exports had reached almost $18 billion.

More progress has come in the 1980s. Last year South Korea began selling videocassette recorders and advanced microchips abroad.

This year, it sent its first cars to the United States, made by Hyundai Motor Co. A second Korean car, the LeMans, built by a joint venture between General Motors Corp. and Korea's Daewoo group, is scheduled to be marketed by General Motors in the United States next year.

Last year was a rough year by Korean standards: the economy grew by only about 5 percent. Declining demand overseas brought a highly unusual slump in exports, hitting the shipbuilding industry especially hard.

Today, things are stable again, bolstered by what people here call "the three blessings"

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Korea

Coping With Change

Second of three articles

The economy benefits from 'the three blessings': cheap dollars, cheap oil and low interest rates.

Deficit Will Surpass Spending Limit By $20 Billion in '87, U.S. Reports

The Associated Press

WASHINGTON — The federal deficit in the budget year starting this fall will exceed the legal target by nearly $20 billion and apparently will require new across-the-board reductions in government spending, two federal agencies reported Tuesday.

The deficit report means that members of Congress will have to reduce the spending by October or face a politically unpleasant vote on the reductions, just before they leave to campaign for the November elections.

The report, issued jointly by the Office of Management and Budget and the Congressional Budget Office, estimated that the deficit in the 1987 fiscal year would be $163.4 billion.

This would require $19.4 billion in spending cuts to reach the $144-billion deficit target for fiscal 1987 under the federal deficit-reduction law.

The report would serve as the blueprint for automatic spending cuts if Congress restored enforcement powers under the deficit-reduction law, the Gramm-Rudman-Hollings Act. That authority was voided earlier this year by the Supreme Court. Congress also could vote to impose the cuts even without an automatic trigger scheme, subject to presidential veto.

Democratic and Republican congressional leaders have vowed to reduce the deficit to within the $10 billion of the balanced budget target, the point at which the automatic cuts are required.

But the report Tuesday reflected the fact that Congress has failed so far to enact any of the money-saving features of budget for fiscal 1987, which begins Oct. 1.

If Gramm-Rudman were restored beginning in October, for example, the Pentagon would have to cut its spending by half the total cut required, $9.7 billion, or 5.6 percent of the military budget, and domestic programs would have to be reduced by 7.6 percent to absorb the other $9.7 billion.

Civil Service and military retirees would lose their cost-of-living raises for the second straight year. However, the law protects Social Security recipients from the cutbacks, along with major poverty programs and veterans compensation.

Since interest payments on the national debt also are exempt from cuts, all of the spending reductions would have to be taken from less than 40 percent of the total budget, the report said.

■ **Tax Changes Considered**

Mr. Reagan will accept the tax overhaul bill approved by House and Senate negotiators but may seek to revise the legislation once it is enacted, according to White House officials, The New York Times reported.

The strategy is designed to try to ensure that the sweeping proposal becomes law when Congress returns from its recess, the sources said Monday.

The administration has become concerned about a possible Senate filibuster by opponents of the measure, which was approved Saturday by the conference committee.

The officials also said that the Treasury Department had been instructed to review the economic implications of the bill.

One ranking Treasury official described the review as a routine "internal analysis" that is designed essentially to outline what is in the package.

However, the White House officials said that the study could pave the way for corrective moves if they were needed.

Both the White House and Treasury officials emphasized that Mr. Reagan was committed to the broad outline of the historic legislation and was willing to do whatever was necessary to ensure its passage.

The measure constitutes the most comprehensive restructuring of the nation's federal tax code since World War II. The bill would lower the top tax rate for individuals to 28 percent from 50 percent and the top tax rate for corporations to 34 percent from 46 percent.

Internal Revenue
1040 Forms

The tax proposal would alter the way Americans buy, rent and invest. Page 5.

U.S. Economy Expanded A Weak 0.6% in Quarter

The Associated Press

WASHINGTON — The U.S. economy, held back by a worsening trade performance, grew at a barely perceptible annual rate of 0.6 percent from April through June, the weakest advance since the last recession, the government reported Tuesday.

The Commerce Department said the rate of growth in the gross national product, the broadest measure of a nation's economic health, was the slowest since a 0.6-percent rise in the fourth quarter of 1982.

The rate represented a sharp downward revision from an initial estimate made last month, when the government projected that the economy had expanded at a 1.1-percent annual rate in the quarter.

The weak performance, which followed a growth rate of 3.8 percent in the first quarter, portrayed an economy that continued to be pulled down by a disastrous trading performance and a steep slump in the oil and gas industry.

The GNP report said that the nation's trade deficit swelled to an annual level of $150.5 billion, subtracting $24.6 billion from domestic growth. A month ago, the government had estimated that the trade deficit had subtracted $20.4 billion from total output.

Part of the deterioration in trade came from a revision in exports, which the government said were falling at a 5.6-percent annual rate instead of rising at a 3-percent rate as originally thought. The weakness came from a plunge in agricultural sales abroad.

Another large negative factor in the April-June quarter was a $28.3-billion plunge in inventories, primarily reflecting efforts by the auto industry to reduce a record backlog of unsold cars, the Commerce Department said.

While the decline subtracted from GNP growth in the quarter, analysts said, it is expected to help growth later this year as businesses begin to rebuild inventories to meet consumer demand.

Personal consumption spending, one of the few bright spots in the

See GNP, Page 6

INSIDE

■ **Ten prominent** political prisoners in Zimbabwe were freed, the government said, to promote unification talks. Page 6.

■ **NASA said scientific** missions will continue, and it is predicted that private launches will begin in 1989. Page 3.

ARTS/LEISURE

■ **In the 1960s,** rock musicians were expected to produce visionary lyrics. In the 1980s, it is a rare delight to find that kind of music. Page 7.

BUSINESS/FINANCE

■ **Australia's government** handed down the country's toughest budget in 20 years. Page 9.

■ **Peru wants to repay** its debt at interest rates below market levels, a top official was quoted as saying. Page 9.

Coaching Video-Age Politicians

The 'KISSS' Rule: 'Keep It Short, Simple and Stupid'

By Bill Peterson
Washington Post Service

WASHINGTON — The audience included state legislators from Pennsylvania and Illinois, two congressmen from Venezuela, three representatives of Canada's New Democratic Party, the deputy mayor of Cleveland and four people from the National Right to Life Committee.

Michael Sheehan was telling them how to look good on television. A graduate of the Yale Drama School and a former associate producer at the Folger Theatre here, Mr. Sheehan is a video-age Dale Carnegie. He is teaching politicians and corporate executives, in the words of the seminar brochure, how to "think and talk in five-second increments."

Mr. Sheehan's presentation was part of a seminar this week sponsored by Campaigns & Elections, a magazine that is aimed at political junkies.

The speakers at the seminar, entitled "The Message is the Message," were billed as "25 of the top political experts in America."

But several of those with bigger names, including the pollster Patrick H. Caddell and the media expert Bob Squier, did not show up. That gave several lesser known, younger pollsters, media experts, speechwriters and political strategists an opportunity to display their wares.

Mr. Sheehan's advice to the 60 politicians and political handlers gathered before him was that the press does not have a liberal or conservative bias, but it does have a "pervasive negative bias."

Politicians should expect most questions they get on television to be negative ones, he said. The problem is that "negative questions invite negative answers."

The other thing a politician should realize is that, except in the biggest cities, most television reporters do not know much about politics, he said. Most are overworked general-assignment reporters who might have to cover four stories a day.

This means a political interview might be squeezed in between a circus and a fire. "How much time do they have to prepare to talk to you?" Mr. Sheehan asked. "Zero."

So what does a smart politician do?

Mr. Sheehan said a politician should spend a minute or two talking to the reporter before the interview begins to establish rapport and provide a little background. Then, when the camera begins to roll, "Have something positive to say and say it positively," he advised.

Mr. Sheehan offered a "quick list" of other performance techniques, and arranged for several people attending the seminar, including Dick Moltus, Mississippi's secretary of state, to appear on camera to illustrate them.

- Smile. Television flattens the face, Mr. Sheehan said. "You'll always look 15 percent more serious on the box than in real life."
- Lean forward toward the camera. Males should cross their legs. "This breaks the flatness of shots."
- Be lively, but not jerky. "Animation is good on TV," he said. "It's easy to watch something that moves." Gestures are fine but should be controlled and kept close to the shoulder level.
- Speak more slowly than in real life. "Keep it at a nice, easy, relaxed pace," he said. "Make something you say stand out."

He recommended that men "always wear suits." Solid colors are usually better than patterns; blue and gray better than black, brown or tan. Light blue shirts and burgundy ties are good. "Light gray shirts are absolutely spectacular," he said.

He recommended that women wear pastel, one-piece dresses. "Never, despite Nancy Reagan, wear orange or red," he said.

"I've been in politics 15 years, and I figure it's time for me to either make a move up or out," said Joseph M. Tierney, a Boston city councilman. "I'm looking at either high office or going into the campaign-managing end of the business.

"If there's one thing constant in politics, it's change," he said, "and I wanted to know a little more about it before I make a decision what to do."

James M. Dwinell, publisher of Campaigns & Elections, has tried to aim the magazine, as well as a series of "how-to" seminars he started this year after purchasing the magazine, at people like Mr. Tierney. There are about 502,000 elected offices in the country, Mr. Dwinell said, and for every office, "two people who want the job."

Almost everyone at the seminar urged campaigns to select a single theme or message and stick with it. Jeff Brown, a consultant, said Americans spend an average of five minutes each week thinking about politics.

Therefore, every campaign should operate on the "KISS rule" — "keep it short and simple" — or the "KISSS rule" — "keep it short, simple and stupid."

Peter Sturgley/Reuters

THEIR BUBBLE BURST — David Kirke and Hugo Spower of the Dangerous Sports Club were test-towed on the Thames in a 65-foot plastic sphere designed to float across the English Channel, but the skin ripped and London police had to rescue them near Tower Bridge.

U.S., Soviet Arms Concessions Seen at Stockholm

Reuters

STOCKHOLM — The Soviet Union and the United States expressed willingness Tuesday to make concessions to secure a final agreement at the European disarmament conference as the final session of the 35-nation talks began.

The Soviet Union offered to allow a limited number — one or two — obligatory inspections each year of its military activities by other nations, a move hailed by the West as a significant step forward in the conference on military confidence-building measures in Europe. The conference began in January 1984 in Stockholm.

Oleg A. Grinevsky, the chief Soviet delegate, said that the offer was the result of a policy review in Moscow last week.

But Mr. Grinevsky, in comments clearly linking the Soviet position to other Kremlin arms control initiatives, condemned the U.S. reaction to the offer Monday by Mikhail S. Gorbachev, the Soviet leader, to extend the Soviet nuclear test ban moratorium until Jan. 1.

If it was true that the United States had rejected the extension as propaganda it was extremely negative for U.S.-Soviet relations and the possibility of progress in any talks, he said.

Robert L. Barry, the U.S. ambassador to the conference, said he accepted the idea that there should be a limit to the number of inspections any nation would have in a year.

After the Soviet delegation had expressed concern about what kind of military activities would be covered, Mr. Barry broke off from a prepared speech to say he understood this problem and was prepared to work on it, NATO diplomats said.

Optimism marked the opening of the 12th and final session of the conference.

The talks are due to end on Sept. 19 and a few days later the representatives of the United States, Canada and all European nations except Albania are to meet in Vienna to review progress.

Mr. Barry said that U.S. officials thought that a final accord could be reached in the time remaining because the conference has gathered momentum.

Wide disagreements remain over many issues, including what inspections would cover.

On-site inspection of military activities goes further than the observation of military exercises by foreign experts that the Soviet Union and the 34 other states agreed to allow on a voluntary basis under the 1975 Helsinki accords.

The Soviet delegation once defined the verification of military activities — of which inspection is a key element — as being aimed at preventing secret preparations for war.

Bomb Kills 20 in Tehran Rush-Hour Traffic

Reuters

TEHRAN — Twenty persons were killed and many were wounded Tuesday when a car bomb exploded in a busy square in the capital, Tehran Radio said.

The explosion was set off in central Ferdowsi Square during the morning rush hour. It was the deadliest bomb attack reported in Iran this year and the second since Saturday.

Tehran Radio accused "American agents" of planting the bomb in an Iranian-made car. Sources quoted by the national news agency said the explosive device was detonated by a timer and contained more than 50 pounds (23 kilograms) of TNT.

Some of the casualties occurred on a bus that was passing by when the bomb exploded. Four previous explosions have claimed five lives in Tehran this year.

A car bomb killed 13 persons and wounded about 100 Saturday in the holy city of Qom, in central Iran. Tehran newspapers said several suspects had been arrested in connection with that explosion, but gave no details.

In London, the Mujahidin Khalq, an Iranian opposition group, said it condemned "any form of bombing in public places causing the deaths of innocent people" and denied it had played any role in recent explosions.

Firefighters In Gulf Avert 'Disaster' on Supertanker

The Associated Press

MANAMA, Bahrain — Firefighters extinguished a blaze aboard a Norwegian-owned supertanker Tuesday in one of the biggest marine salvage operations undertaken since the Gulf war began, shipping executives said.

Firefighters on eight tugboats, one the Smit Singapore, the largest salvage tug in the world, battled the blaze aboard the Akarita for about 24 hours before bringing it under control, the executives said.

The 230,637-ton supertanker was "badly damaged, but the salvage operation was successful, averting a disaster for the Dubai oil field and the Fateh terminal," said a Dubai-based shipping officer, speaking on condition that he not be identified.

Warplanes, apparently from Iran, rocketed the Akarita on Monday at its berth 3.5 miles (5.6 kilometers) from the Fateh loading terminal in the United Arab Emirates.

The raid on the Akarita took place about 50 miles northeast of Dubai and 30 miles from Iran's Sirri Island oil terminal.

Sirri, the main Iranian oil export outlet, was raided Aug. 12 by Iraqi aircraft.

The Akarita was the third tanker to have been attacked since, apparently in retaliation by Iran.

The Akarita, owned by Dominus Shipping Corp. of Monrovia and operated by Uglands Rederi AS of Grimstad, Norway, was loaded with 80,000 tons of crude oil before it was attacked.

The risk of explosion had been high, according to the shipping executives.

The Akarita's crew of 39 — 34 Spaniards and 5 Filipinos — jumped overboard to escape the blaze and none were injured, these sources said.

Two of the Filipinos were women, they said.

The attack on Sirri broadened the scope of Iraq's air and sea blockade of Iran's important oil terminal on Kharg Island in the northeastern end of the Gulf.

The Iraqis began the blockade in February 1984 to disrupt Iran's oil exports and force Tehran to accept peace offers.

The Iraqi attacks, and the Iranian retaliatory raids on ships plying the neutral southern sector of the Gulf have resulted in the so-called tanker war, in which more than 150 commercial vessels have been hit.

WORLD BRIEFS

West Germans Investigate 31 Tamils

BREMEN, West Germany (AP) — The authorities are investigating a possible connection between 155 Sri Lankan Tamils smuggled to Canada on a cargo ship and 31 suspected Tamil militants living in West Germany, the police said Tuesday.

A police spokesman said the 31 Tamils had been detained briefly in a police raid of a Bremen apartment and that they had demanded money from one of the Tamils who has acknowledged being involved in organizing the voyage to Canada.

Radio Bremen said Monday that the Sri Lankans who left West Germany on July 28 by ship belonged to a Tamil guerrilla group. A police spokesman refused to confirm the report. The 155 were found in lifeboats off Newfoundland on Aug. 11. The station quoted unidentified "police circles" as saying that the 155 Tamils had come to West Germany to raise money from welfare checks and drug dealing to buy weapons for their guerrilla movement.

Lebanese Try for Reconciliation Again

BEIRUT (WP) — Prime Minister Rashid Karami met Tuesday with two Christian ministers in new attempts toward national reconciliation in Lebanon, ending a nine-month estrangement between Christian and Moslem cabinet members.

Discussions between Mr. Karami, a Sunni Moslem; Camille Chamoun, the Maronite Christian finance minister, and Joseph al-Hashem, the health and postal minister, over the transformation of the cabinet into a "Lebanese Dialogue Committee" raised hope for peace following a hiatus in government meetings since November.

In response to an Aug. 1 offer by President Amin Gemayel to sponsor a debate over reforms and a common national course of action through parliament and the government, Mr. Karami had suggested convening his ministers to draw up a working paper. Mr. Karami has said that the nine-man cabinet grouping representatives from Lebanon's main religious sects could serve as framework for national dialogue.

Cabinet Is Dissolved in Burkina Faso

AP

Thomas Sankara

OUAGADOUGOU, Burkina Faso (AP) — President Thomas Sankara dissolved the government and appointed three outgoing ministers as "general coordinators" to act on his behalf, officials in Burkina Faso said Tuesday.

In a decree issued Monday night, Captain Sankara said that day-to-day affairs in the ministries would be handled by senior civil servants in liaison with "committees for the defense of the revolution" until a new government is named. The three "general coordinators" are Captain Blaise Compaoré, Major Boukari Jean-Baptiste Lingani and Captain Henri Zongo.

A spokesman said the action did not indicate a governmental crisis, but followed a "revolutionary logic established previously" by the National Revolutionary Council, which is headed by Captain Sankara and rules Burkina Faso, which was formerly known as Upper Volta.

U.K., Guatemala Renew Consular Ties

LONDON (Reuters) — Britain and Guatemala renewed diplomatic relations Tuesday after a five-year break arising from Guatemala's claim to Belize, formerly known as British Honduras.

The Foreign Office said the two nations had agreed to restore relations to consular level and hoped to re-establish full diplomatic links by the end of the year. The spokesman said Britain would be willing to act as an observer in talks between Belize and Guatemala if both sides consented.

British officials stressed that the agreement did not in any way alter Britain's commitment to the defense of Belize, which is situated between Mexico and Honduras.

Shcharansky Family Gets Exit Visas

MOSCOW (AP) — Soviet authorities issued exit visas Tuesday to the family of Anatoli Shcharansky, the human rights activist who was freed in February in an East-West prisoner exchange.

Mr. Shcharansky's older brother, Leonid, said visas were issued to himself, his mother, Ida Milgrom, his wife, Raya, and their two children, Alexander and Boris.

On Aug. 3, Leonid Shcharansky said that his family had been told they could leave by Saturday. Anatoli Shcharansky had complained that the authorities had delayed issuing the visas. He disclosed last month that the visas had been part of the accord that allowed him to emigrate to Israel.

For the Record

The Melbourne police recovered Picasso's "Weeping Woman" undamaged from a railroad station locker Tuesday, 16 days after it had been stolen from the Victorian National Gallery. A group calling itself Australian Cultural Terrorists said it had stolen the painting, for which the gallery paid $1.5 million in December. *(Reuters)*

Israel deported two Americans in the Black Hebrew sect on Tuesday. Fred Curtis, 25, of Mississippi and Alex Gordon, 29, of Chicago, were put on a plane to New York by a policeman, their lawyer said. *(Reuters)*

An explosion in London killed one man and injured five persons Tuesday in a store selling literature and videocassettes critical of Iran's Islamic regime, the police said. They said the cause of the explosion was not known. *(Reuters)*

Taiwanese exiles will hold a convention in Los Angeles in October to form the first opposition party on Taiwan since 1949, Hsu Hsin-liang, chairman of the founding committee, said Monday in San Diego. *(UPI)*

Swiss Said to Speed Up Action on Marcos Assets

Reuters

MANILA — Swiss banks holding part of Ferdinand E. Marcos's alleged hidden wealth may return some of it to the Philippines within a year, a top government official said Tuesday.

Jovito R. Salonga, head of the Presidential Commission on Good Government, which is searching for assets allegedly plundered when Mr. Marcos was president, declined to say how much might be returned or how much was deposited in Swiss and other banks.

But he said at a Foreign Correspondents Association lunch the commission had given the Swiss evidence the deposits were illegally amassed and even included Japanese war reparations.

"Our hope," he said, "is that due to a number of developments we may have the first delivery of the Swiss deposits not in five years' time as originally expected but perhaps in a matter of months. Let us say in less than a year."

"I wish I could give you a figure," he added, "but even our Swiss lawyers don't want to give any definite figure. The estimate abroad is that it is anywhere between $1 and $5 billion, but I don't want to quote a figure, otherwise our Swiss lawyers would be screaming."

Mr. Marcos and his wife, Imelda, have denied amassing a fortune or plundering the Philippines during his 20-year rule.

■ No Inquiry, U.S. Says

The Reagan administration has said it is not conducting an inquiry into reports that Mr. Marcos instigated a recent rebellion against the government of Corazon C. Aquino. The Associated Press reported from Santa Barbara, California.

"I don't believe that we have ever received concrete evidence" that Mr. Marcos was behind the uprising earlier this year, the White House spokesman, Larry Speakes, said Monday.

Mr. Marcos fled the Philippines on a U.S. Air Force plane in late February and was given refuge in Hawaii. A Marcos political ally declared himself president in early July and holed up in a Manila hotel with about 300 soldiers before giving up the coup attempt.

The New York Times reported over the weekend that transcripts of telephone conversations between Mr. Marcos and his ally, Arturo M. Tolentino, revealed that Mr. Marcos had extensive conversations with those involved in the revolt.

Earlier this year, officials at the State Department said the administration had made clear to Mr. Marcos that his participation in partisan political activity in his homeland "was inconsistent with his status as a guest in the United States."

Angolan Leader Seeks Reagan Talks

By Sheila Rule
New York Times Service

LUANDA, Angola — The president of Angola has called for a meeting with President Ronald Reagan to ease tensions between Angola and the United States, and bring peace to southern Africa.

The Angolan leader, Joé Eduardo dos Santos, also said Monday that he wanted the two countries to establish diplomatic relations.

Angola is recognized by every major nation except the United States and South Africa, both of whom provide military support for the rebels fighting to overthrow the Marxist government.

"We invite President Reagan to come to see the Angolan people and the problems we are facing," Mr. dos Santos said.

He made the remarks to foreign journalists after meeting with the Reverend Jesse Jackson, the U.S. civil rights leader, who ended a three-day visit to Angola on Monday as part of a tour of southern Africa.

The Angolan leader's comments were seen by political experts here as aimed at trying to ease the Reagan administration's strong support for the rebels, the National Union for the Total Independence of Angola.

Earlier this year, the administration was reported to have begun shipping advanced weapons to the insurgents.

In a speech last month, Mr. Reagan called the Angolan government a client regime of the Soviet Union and the rebels a black liberation movement seeking the same right to representations that black South Africans were seeking.

The Angolan government and others say the outside aid to the rebels could prolong indefinitely the 11-year-old war, which has helped to curb Angola's economy.

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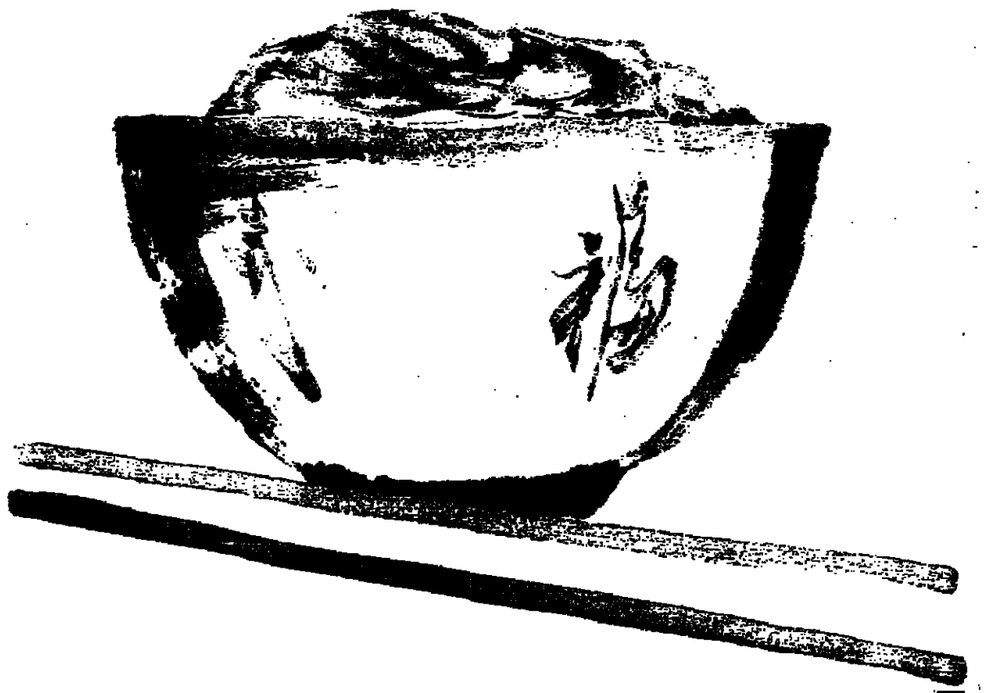

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AMERICAN TOPICS

Happy Days No Longer Here For Women in N.Y. Politics

New York was once the state that women looked to for its willingness to elect women. No more. New York has sent a dozen women to Congress, still a record, and has an illustrious list of other female firsts: Shirley Chisholm, first black to run for president; Elizabeth Holtzman, youngest woman to serve in Congress; and Geraldine A. Ferraro, first woman to run for vice president from a major party. But it has fallen behind in following up.

Many of those original political stars have been defeated or sidetracked, The New York Times notes, and few new stars are in sight. No women hold statewide office. New York ranks in the bottom third of the country for the number of women lawmakers, with 22 from among the 211 members of its legislature.

In a year when more women around the United States are expected to be elected to state offices and legislatures than ever before, the state receives the lowest rating from groups like the National Women's Political Caucus.

Political consultants suggest that women may be suffering from a Catch-22: They still have a hard time breaking into politics but can no longer take advantage of being a novelty.

But Carol Bellamy, the first woman to head New York City's council and now a stockbroker at Morgan Stanley, has another explanation. "The Republican and Democratic parties," she says, "haven't sought to encourage women candidates."

Notes About People

Rabbi Leslie Alexander, 31, describes herself as "right-wing" on religious issues — a situation that she says created considerable irony as she sought from childhood to become a rabbi. This month she became the *first woman to serve as a rabbi at a major* Conservative Jewish synagogue, the 1,000-family Coogregation Adat Ari El in Los Angeles.

All but a handful of women rabbis have been associated with Judaism's more liberal Reform and Reconstructionism movements.

"As a human being, I was impatient and wanted things to happen immediately," she said. "But as a Conservative, I can understand why it took the time it did."

Lisa Silva, co-leader of the Guardian Angels, the group of young volunteers who prowl the New York City streets and subways in red berets and T-shirts to deter crime, has written a self-defense book, "Attitudes," and *filmed a flashy videotape to accompany it.*

She has also become a hot model and frequenter of the New York party scene, and is waiting for the right movie role to come along (She turned down a part to play a slave girl).

"How many times do you see the woman do the number back on her attacker?" she asked The Washington Post. "I'd do a role like that in a minute."

Sarabeth Eason, 11, has been told by her pastor, the Reverend Richard Miller, that she may not return to St. Agnes Roman Catholic School in Toledo, Ohio, as a sixth-grader this fall because she signed a newspaper ad supporting abortion. *Her mother is the assistant* director at a Toledo abortion clinic.

NYT

Carol Bellamy

Nancy and the Secret of Youth

Nancy Drew, girl detective, like those other fictional feminine models, Barbie and Betty Crocker, has come a long way since her 1930 debut in "The Secret of the Old Clock." This month the plucky teen gets another update in two new novels, the first written since the death of Harriet S. Adams (alias Carolyn Keene) in 1982. In the new books, aimed at readers a few years older than the traditional 8- to 12-year-olds, Nancy wears $50 designer jeans and trades in her trusty maroon roadster for a new blue Mustang. There will be a lot of talk, too, about teen-agers' feelings, *problems and relationships. Some of the relationships* will get a bit more complicated. Though Nancy will remain faithful to her handsome but dumb squeeze, Ned Nickerson, another boy will find her "thrilling to the touch."

—NINA MARTIN

NASA Reassures Scientists; Private Launch Seen by 1989

By Philip M. Boffey
New York Times Service

WASHINGTON — Scientific missions will make up a large portion of future launches of U.S. space shuttles, and a commercial launching industry probably will start functioning as a supplement to the shuttle by 1989, according to federal officials.

These assessments were made by James C. Fletcher, administrator of the National Aeronautics and Space Administration, and Elizabeth H. Dole, the U.S. secretary of transportation, at separate press conferences at which they elaborated on the space policy decisions that President Ronald Reagan announced Friday.

Mr. Reagan said that NASA would be allowed to build a fourth shuttle orbiter to replace the destroyed Challenger, but ordered the agency to phase out the launching of commercial satellites from shuttles to encourage the development of a private launching industry.

Mr. Fletcher said he was "very pleased" with the president's decision to build a fourth shuttle orbiter and that "morale in NASA is up 1,000 percent" as a result.

But, in answer to a question, he said that three Republican senators were "probably partially in order" when they criticized that decision. The senators — Slade Gorton of Washington, John C. Danforth of Missouri and Jake Garn of Utah, each of whom heads a committee overseeing the space program — said the decision was "inadequate and indefensible" because it left unclear the details of financing the new shuttle and thus could force NASA to pay for the shuttle by cutting other programs.

The new shuttle and spare parts are expected to cost about $2.8 billion over a five-year period. Thus far, the White House has budgeted only $272 million to NASA to cover start-up costs, leaving decisions on how to pay for the remaining $2.5 billion for the future.

Mr. Fletcher said he was "hopeful" and did not "anticipate that a large amount of that money will come out of NASA's budget." But he acknowledged that there are "no guarantees" and said NASA was "in serious funding difficulties."

He cited the costs of recovering from the Challenger accident, the need to move ahead in developing a space station and efforts by some congressmen to cut air force funding of the shuttle program as examples of the agency's problems.

But he sought to allay concerns in the scientific community that its missions might be cut back to help finance the new orbiter.

"We expect that a large fraction of shuttle launches in the future will be scientific missions," Mr. Fletcher said. "We plan to keep the scientific missions at about the same level percentagewise of the NASA budget."

He said that in the next two years, while the shuttle fleet is grounded, all potential users, including the scientific community, would suffer delays.

Mrs. Dole, whose department is responsible for encouraging a private launching industry, estimated that some companies could have rockets ready to launch commercial satellites as early as 1989 and that the first private launching will occur that year.

Transpace Carriers Inc. already has signed contracts to launch two commercial satellites, she said, and such rocket-building aerospace giants as Martin-Marietta Corp. and General Dynamics have indicated interest in providing rockets for private launchings if NASA got out of the business, as on Friday Mr. Reagan decreed it will.

Mrs. Dole said that Martin Marietta already had received "formal requests" from 21 companies that want to launch satellites on unmanned rockets, and that General Dynamics had received 14 such requests. She added that "other small companies" are looking for niches in a commercial launching market.

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by BAUME & MERCIER
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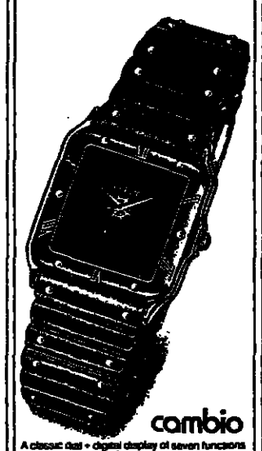

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U.S. Seeks Catalyst's Role Amid Shifts in Mideast

By Bernard Weinraub
New York Times Service

SANTA BARBARA, California — The Reagan administration has *begun a review of what officials* term the "evolving situation" in the Middle East, officials said.

The officials said Monday that the aim of the discussions was to identify ways in which the United States could play a more active role in the region.

Among the key events that led to the review were a meeting last month in Morocco between King Hassan II and Prime Minister Shimon Peres of Israel; talks Monday in Finland between Israeli and Soviet officials, and the increasing political isolation of Yasser Arafat, chairman of the Palestine Liberation Organization, the officials said.

The officials said that one step under consideration was a trip to the region by Secretary of State George P. Shultz this fall.

Mr. Peres, King Hussein of Jordan and President Hosni Mubarak of Egypt have urged increased U.S. involvement in the "peace process" and have voiced frustration at what they view as the administration's reluctance to step up its role, officials said.

The recent 10-day visit to the Middle East by Vice President George Bush is now viewed as the first step in the administration's increased active interest in the Middle East.

Officials said the review of the U.S. role in the Middle East had been undertaken largely by Mr. Shultz and his staff. John M. Poindexter, the national security adviser, and his aides also are involved, they said.

Because the administration believes that there has been "a positive evolution in the region" in recent months, officials said, the current review seeks to find the best ways in which the United States can be a "catalyst or facilitator" in the Middle East.

"The challenge for us *is to* move things along," an administration official said. In recent months, the official added, the United States has witnessed "an evolving situ*ation, an evolution in the region.*"

Administration officials made it clear that although the 10 hours of talks last month between Hassan and Mr. Peres were viewed in press reports as downbeat and marked by disappointment, they are now seen as a significant step forward in the context of the overall situation in the Middle East.

For one thing, officials said, Saudi Arabia and Jordan did not substantively criticize the meeting. "That's a kind of sea change that something like this would take place," the official said. "It signifies *an evolution in the* acceptance of Israel."

Officials said it was now "easier" for Egypt to deal with the Israelis because of the Hassan-Peres meeting.

"A Mubarak-Peres summit imposes less cost on Mubarak than it might have before the Peres meeting with Hassan," an official said. "It becomes more acceptable."

As these meetings become "routine," the official said, "that would be a form of recognition and acceptance of Israel."

"We've seen an evolution in the region," the official said. "It's at the level of people being prepared to think about making peace but still finding it difficult to cross certain thresholds and take actions which they still may view as threatening.

"The challenge for us," he said, "is to try to take advantage of this psychology and try to nurture it and see how we can translate it into positive effect."

The official said the administration would be "focusing in the next few weeks on what we can be doing."

Officials said the first formal talks between the Soviet Union and Israel in 19 years were viewed by the administration not only as a public effort by Moscow to play a larger role in the Middle East peace process but also as part of the overall U.S.-Soviet relationship.

Officials believe that Anatoli F. Dobrynin, who was Soviet ambassador to the United States for 24 years and is now a ranking foreign policy-maker in the Soviet Union, was key to Moscow's new moves in the Middle East. Mr. Dobrynin returned to Moscow in April.

Administration officials say they believe that the Soviet Union's yearning to be a central player in the Middle East has been hampered by its failure to deal diplomatically with Israel. The Russians have traditionally dealt with the United States in seeking to apply pressure on Israel instead of dealing with Israel themselves.

Beyond this, the officials said, the Russians see Israel as inextricably entwined with U.S. policy beyond the Middle East. Moscow's intentions in the Middle East, as well as its dealings with Israel, are among the issues being reviewed by the Reagan administration.

Another factor under review, officials said, is the declining role and the isolation of Mr. Arafat in the Arab world. The Jordanian order last month closing his offices in Amman represented one of the greatest blows to the PLO since the guerrillas were ousted from their base in Lebanon by the Israeli invasion in 1982.

"We're in a period of transition," an official said. "It's wrong to say Arafat has lost his base in the West Bank, and that the king can supplant him. It's right to say that his *leadership is much more open to* question and there's far more criticism of him in the West Bank and Gaza."

Egyptians Urged By Libya to Attack U.S. Servicemen

The Associated Press

NICOSIA — Major Abdel Salam Jalloud, the head of Libya's revolutionary committees, has urged Egyptians to attack U.S. servicemen participating in military exercises in Egypt later this month, Libya's official news agency JANA reported Tuesday.

The presence of U.S. forces in Egypt "amounts to an army of occupation and is an insult to the dignity and the blood of Egyptian martyrs," the agency quoted Major Jalloud as saying during a banquet Monday night in Tripoli in honor of the visiting Ugandan president, Yoweri Museveni.

Major Jalloud called on Egyptians "to attack the American troops and seek revenge" for the April 15 U.S. air raids on Tripoli and Benghazi, JANA reported in a broadcast monitored in Nicosia.

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OPINION

Tax Bill: An Aye Vote

Fairness is ever the goal of tax reform. It is rarely achieved. The extraordinary bill to which congressional conferees agreed last weekend would indeed produce a fairer code; that is its overriding claim to enactment. The burden on the poor would be reduced, the rich would find it harder to dodge, and people with like incomes would tend much more than now to owe like taxes.

The trade-off of lower rates for fewer avenues of escape would also take the major sources of tension out of the code. No longer would there be the same gaps between nominal rates and those actually paid. There would be less incentive to make investments for tax reasons as distinct from economic reasons; the tax code would become more neutral.

In the Reagan years the taxes of the poor have risen. The bill would redress this; it is a major anti-poverty program. The tax threshold would be moved back above the poverty line; millions of poor and near-poor households would be dropped from the rolls, and others would have their taxes sharply reduced. The income tax provision that compensates the working poor who have children for their Social Security taxes would be liberalized as well.

The top rate — 70 percent when Ronald Reagan took office, 50 percent now — would be reduced further to 28 percent. On paper that is an enormous loss of progressivity. In fact the rich have dodged, and the bill would take away the major dodges. The paper losses that are the heart of tax shelters would be outlawed for the most part, and capital gains would be taxed the same as ordinary income. The result is that the rich would end up bearing about the same share of the tax burden as before. But the process would be less roundabout.

The corporate income tax has been allowed to decline as a source of federal revenue. The bill would help to restore it; the government cannot afford its loss. Some industries — real estate, banking, defense — have tended to pay particularly low taxes. The bill would raise their rates, in part through industry-specific provisions, in part through a strengthened minimum corporate income tax. The minimum is in effect a second tax net to scoop up those who slip through the first. As with individuals, so with corporations: The bill seeks greater uniformity of tax burdens both among companies and among sectors of the economy. The tax code would become more a means to raise money again and much less a device for manipulating the economy to achieve desired industrial or social results.

This is a huge transformation; no corner of the economy goes untouched. Some of the early results will be ragged; there will be unforeseen and unintended effects. In some cases where tax subsidies are withdrawn, shortages may develop and prices rise. The government may have to intervene again. But this is a healthy bill, a towering achievement for the president who stuck with it, in many cases against the history and advice of his party, and for those in Congress who produced it in a departure from their traditions. The squeals are coming from those who either do not pay now or who overestimate the influence of the tax code on the economy. When the two houses of Congress return from recess, they should, as we expect they will, vote aye. And proudly so.

— THE WASHINGTON POST.

The Fear in Pakistan

President Mohammed Zia ul-Haq of Pakistan wound up celebrating his country's Independence Day with nasty fireworks: police gunplay that killed five, and the arrest of the opposition leader Benazir Bhutto, who joined hundreds of her followers behind bars. That was an eyeful for anyone who hoped for substance from Pakistan's show of representative government and lifting of martial law. Washington has properly, if gently, deplored the crackdown and should do what else it can to restore General Zia's sense of perspective.

The violence, followed by continuing protests around the country, was the worst since 1983 — the dark days before General Zia, intent upon remaining in power, began his partnership with an elected civilian government. Critics scoffed then at the reforms and called for a boycott of elections last year that excluded opposition parties. Yet more than 50 percent of the voters participated. Within the year, General Zia lifted martial law. He warned of "terrible consequences" if opponents abused the new opportunities. But the change looked real enough as Miss Bhutto, the daughter of former Prime Minister Zulfikar Ali Bhutto, returned from exile.

Miss Bhutto, who spent most of the years before her exile in jail or under house arrest, traveled the country during the spring, stirring audiences of hundreds of thousands. Her demand for elections this fall — the constitution does not require them until 1990 — gained a following, but the government dismissed the idea. The Independence Day violence developed when the government banned an opposition rally.

The opposition says those terrible consequences demonstrate the government's fear. Yet the rallies were hardly fearful. Only 2,000 came to the Lahore protests, in which five died. The harshness of the reaction suggests that the government was eager to seize any pretext for jailing Miss Bhutto.

Let General Zia and Prime Minister Mohammed Khan Junejo reflect on the fact that they can best gain freedom from fear by allowing the opposition its proper role, not by trying to make it go away. Helping them recognize that is very much in the interest of the United States, which values Pakistan's opposition to the Soviet occupation of Afghanistan. Washington helped secure the freedoms Miss Bhutto has been enjoying. It ought to use its leverage to make sure that the slow move toward democracy did not end on Independence Day.

— THE NEW YORK TIMES.

Bolivia Bites the Bullet

Can an annual inflation rate be cut from 20,000 percent to 20 percent in one year? That is the achievement of Bolivia. Known mainly for coups and cocaine, it deserves to be known for a stunning fiscal turnaround.

Bolivia's politics, economy and narcotics problem are closely linked. Recent military governments tolerated corruption and drug trafficking on a scale that ruled out fiscal and monetary discipline. The first democratic government after military rule ended in 1982 was too weak to tax the rich adequately or to resist the spending demands of a powerful labor movement. By the time it left office, government revenues covered only 15 percent of expenditures. To make up the difference, the government printed pesos. Hyperinflation was the result.

When Victor Paz Estenssoro became president a year ago, the signs were not auspicious. Now 78, he first came to power after a revolution in 1952 and personally initiated many of the policies that bled the treasury. His new mandate was clouded by the congressional deal-making needed to resolve an electoral deadlock. And soon after he took office, export prices for tin and natural gas collapsed.

But Mr. Paz Estenssoro defied most of the givens of Bolivian politics. He broke union power by interning labor leaders. He closed tin mines and dismissed public-sector workers. He froze wages while lifting price controls. He won approval for higher and fairer taxes. And he stopped printing pesos. Recently he has moved against the cocaine industry.

The cost of fiscal probity has been depression. Bolivians, still South America's poorest people, have suffered. But they did not revolt, and the president did not yield civilian democratic control. Depression continues, but Bolivia, once a basket-case economy, now wins praise and promises of help from abroad. A government that has so courageously practiced what is easy for the affluent to preach surely deserves it.

— THE NEW YORK TIMES.

Other Comment

Swords Into Plowshares?

History records very few cases in which a leader confides to an adversary: "I'm a little strapped for cash right now. Let's cool things off and go beat some swords into plowshares." But President Reagan tells us that it may be happening now, and that the confider is Mikhail Gorbachev.

Perhaps there are worse ways to spend the final weeks of summer than hoping that it finally has happened that two leaders are ready to acknowledge the insanity of a nuclear-arms race and are getting ready to actually do something about it.

— The Los Angeles Times.

Middle East Stirrings

After the decision to hand the Taba problem over to an international arbiter, Washington is ready to use its influence more actively for a solution in the Middle East. Secretary of State George Shultz is considering a visit to the Middle East in mid-September. With a nod in Moscow's direction, Vice President George Bush declared that Washington supports an international conference on the Middle East on the condition of direct contacts between Israel, Jordan and Palestinians. Developments have induced Moscow to act quickly and to start negotiating with Israel about the establishment of consular relations.

— Handelsblatt (Düsseldorf).

Israel's reaction to the Soviet call for negotiations will determine the fate of the worldwide effort to free Soviet Jewry. The success of that struggle is dependent on an uncompromising public Israeli position linking any progress of other issues — indeed, any willingness to negotiate on other issues — to the release of the 400,000 Soviet Jews who have indicated their desire to emigrate to Israel.

— Anatoli Shcharansky, writing in The Jerusalem Post.

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Genocide in the Ukraine: A Debt of Remembrance

By James E. Mace

LOS ANGELES — Ukrainians share a horrible secret with Jews, Armenians, Cambodians and other victim-survivors of genocide. It is the secret of memories that can be told but never shared. It is a secret not because those who keep it would have it so, but because those who have not experienced it cannot comprehend it.

The facts are stark: In 1932 and 1933, millions of Ukrainians starved in direct consequence of government policy. The figure usually given is seven million, but that is only an educated guess, as are the figures of six million Jews, 1.5 million Armenians and so forth.

The significance of genocide is in any case more qualitative than quantitative, more in the nature of the act than in the number of victims. The individual victims are secondary to the real victim: a nation, a religion, a race — an integral part of humanity.

Like Cambodia, the Ukraine continues to exist, but as a conquered nation, occupied and controlled by foreigners. Ukrainians, now numbering more than 42 million, constitute one of the 15 Soviet republics.

When the Russian and Austrian empires disintegrated during World War I, the Ukrainians declared their national independence, as did all the nations lying between the ethnic territories of Germany and Russia. Lenin and the Russians were able to conquer the Ukraine only after a protracted struggle and substantial concessions to national aspirations.

For a decade, Ukrainians were to the Soviet Union what Poles later became to the Soviet bloc — the perpetual thorn in the side, most conscious of their national identity, most assertive of their prerogatives, least willing to follow Moscow's example.

Most Ukrainians lived in the countryside, and that was where the opposition to Moscow arose. At the end of the 1920s the Soviet Communist Party announced the "collectivization of agriculture on the basis of the liquidation of the kulaks as a class."

Farmers lost claim to their land, and were forced to bring the fruits of their labor to a central point so the state could take its share. To many villagers that was little different from the conditions of serfdom under which their grandparents had toiled.

"Kulaks" was a sort of generic category for rural "class enemies," and state policy required their "liquidation" because only through the elimination of village leadership could the ability to resist be broken. At the same time, a purge of other leaders, priests, writers and teachers, began.

By mid-1932 the war had virtually been won: 80 percent of the farmland had been collectivized. At least 200,000 farm families had their property seized; most were killed or exiled to Siberia or Central Asia.

The huge quotas imposed on the Ukraine by officials in Moscow could not be met. The Ukrainian Communist Party predicted a catastrophe and begged for relief.

But despite superhuman effort, the Ukraine slipped further behind its quota. Moscow dispatched a virtual army to assist. After the 1932 harvest was taken from the collective farms, the grain collectors went to farmhouses. They searched for hidden foodstuffs, even tearing up stoves to find bags of flour scrapings that desperate farmers had mixed with finely ground leaves.

Each survivor has his or her own story. Most were saved by their cleverness in outwitting the commissars. Others exchanged wedding rings, silver crucifixes and the like for food at stores set up for this purpose.

For those not so fortunate, the sentence was death by starvation. Whole villages succumbed. Those who were children then remember being told not to go out alone for fear of being eaten by neighbors crazed by starvation. Those who lived in the cities recall that much of the meat in urban markets was thought to be human.

The Ukraine and the adjacent Cossack territories of the Caucasus were written off; the border between them and Russia proper was closed. Famine did its work in secret.

Why did it happen? The famine was localized in areas with populations that had proved particularly stubborn in opposing Stalin's social and national policies: Ukrainians, Cossacks, Tatars and Volga Germans. The famine was imposed, and the reason becomes clear when we see what accompanied it: strict centralization; the withdrawal of all concessions to non-Russian national groups; Russification in language, thought and ideology.

The famine was a forceful blow against the very body of Ukrainian nationhood. It transcended the millions of individuals who died; the nation itself became the first victim.

Memory of such tragedy is difficult. Yet survivors always bear the debt of remembrance, the duty to ensure that those who died will not be forgotten. The secret of the Ukrainian genocide belongs to us all, for any genocide diminishes all of humanity.

The writer, staff director of the Commission on the Ukraine Famine, was a research associate at Harvard's Ukrainian Research Institute. He contributed this to the Los Angeles Times.

Gorbachev's Guns-or-Butter Choice

By Jan Vanous

This is the second of two articles.

WASHINGTON — The Soviet trade crunch, caused mostly by the dramatic decline in oil prices, could get worse. That is because the country's economic fallbacks — arms sales, exports of gold and platinum, and hopes for better harvests and for a reduction in food imports — are also in trouble.

The decline in Soviet arms sales is largely a side effect of the fall in oil prices. This has squeezed the finances of nations in the Organization of Oil Exporting Countries, including major buyers of Soviet arms such as Algeria, Iraq, Libya and Syria.

With arms accounting for about 20 percent of Soviet exports to the non-Communist world, the sluggish Mideast arms market will further aggravate Soviet hard-currency problems.

Soviet arms sales to the Third World fell 25 percent last year, after three straight years of record sales. With few exceptions, the Soviets now must finance close to 100 percent of such sales over 10 to 15 years at concessionary terms.

Gold, platinum and diamonds will not help much either in solving the trade crisis. The Soviets are the world's second-largest supplier of these precious commodities, and they cannot boost their own sales without further weakening the market.

South Africa's growing political and economic problems have forced the Pretoria government to sell as much gold, platinum and diamonds as the world market can absorb.

Moscow had hoped that a good harvest this year would ease the trade crunch by permitting a reduction in grain and food imports. Less hard currency spent on agricultural imports (27 percent of all Soviet imports from the West last year) means more money available for imports of Western capital goods.

But nature has not been kind to Mikhail Gorbachev. The drought now affecting key grain-growing areas of the Soviet Union probably will depress the Soviet crop to somewhere between 165 million and 180 million metric tons (182 to 198 short tons). This would be far less than the estimated 1985 harvest of 190 metric tons, and it would pressure the Soviets to increase grain imports.

Facing a crisis in trade, the Soviet leader needs an arms pact if he is to pursue his plans to modernize the economy.

The obvious way out for the Soviets is increased borrowing from the West. I estimate that Soviet hard-currency exports this year will be more than $10 billion below the peak of $36.2 billion reached in 1983, without taking into account the impact of dollar depreciation and inflation. There will be some recovery over the next several years, but a large financing burden will remain.

It would appear then that the Soviets will either have to borrow about $25 billion from the West over the next five years to maintain "reasonable" levels of hard-currency imports or accept extreme cuts in imports, with a consequent adverse impact on Soviet economic performance.

Soviet gross hard-currency debt to the West may nearly double by 1990, rising to $53 billion from an estimated $28.6 billion at the end of 1985.

Even by borrowing the $25 billion, the Soviets will not be able to do much more than tread water, holding import spending at last year's level.

Hopes for increased imports of machinery and equipment from the West to help in the Soviet modernization effort are probably doomed. To finance these more ambitious efforts, the Soviets would have to borrow far more — $40 billion or more — which is probably beyond their reach.

The Soviets should be able to borrow the $25 billion from the West without great difficulty. Moscow will remain a borrower favored by Western banks over the next five years, reflecting the huge Soviet endowment of natural resources, the rise to power of a more competent economic management group, and a strong foreign exchange reserve position.

Moreover, Western commercial banks generally believe that the Soviet Union is underrepresented in their portfolios, and they are quite eager to take more Soviet paper.

Heavy Soviet borrowing needs will also stimulate a search for alternative means of securing capital inflows into the Soviet Union.

The Soviets can be expected to turn to Western investment banks to help them float bond issues. A test issue could be floated on the London market perhaps later this year.

The arms control implications of the Soviet trade crisis are clear. Soviet leaders, as they have stated repeatedly, want an arms control agreement that can hold the level of military spending low enough to allow a modernization of the civilian economy.

For this reason, the Soviets are bound to show — and indeed have shown during the past few months — considerably more flexibility in arms negotiations than usual.

An arms control agreement that allows both sides to cut military spending would benefit both. The Soviets could salvage their much-needed modernization program, and the United States could at last get its budget deficit under control.

The writer, research director of PlanEcon Inc., an economic consulting firm that specializes in the Soviet Union and Eastern Europe, contributed this to The Washington Post.

'Residuals': A Refugee Problem That Won't Go Away

By Nicholas DiMarzio

WASHINGTON — Residue. The word evokes images of white-coated chemists poring over mysterious experiments; of gelatinous liquids boiling, coating slender test tubes with sticky remains, of rank leftovers to be discarded.

Far from the chemist's lab, in the distant jungles of Thailand and in isolated corners of Hong Kong, a different residue collects. We call it "residual populations." They are leftover refugees, residue of the world's boiling political conflicts.

"Residuals" are people who have fled their homelands only to find that the international community has no permanent solution to their plight. They are "leftover" refugees because they are unable to take advantage of any of the United Nations' three durable solutions. They cannot be repatriated to their homelands; their first asylum host countries do not want to integrate them; current Western policies offer them no immediate resettlement prospects. Many have languished for years in refugee camps.

America cannot forget its commitment to the people who helped it in Southeast Asia.

Among the most urgent residual crises today is that of the 300,000 Khmer people in Thailand. Most of these residuals straddle the Thai-Cambodian border, serving as a human buffer between Vietnamese troops and Cambodian guerrillas.

Fearing that the international trend toward reduced Western resettlement opportunities — a trend set by the United States — will saddle the country with residual populations, the Thais will not grant official refugee status to these Khmer. Thus they cannot receive protection from the UN High Commissioner for Refugees, nor can they apply for Western resettlement. Just two months ago, at least 11 Khmer refugees were killed, several of them children, when Vietnamese troops shelled a refugee camp just inside Thailand.

Some people would argue that America's responsibility in Southeast Asia has long since ceased. But compare the Southeast Asian resettlement history with what took place after World War II. Not until 1958 was the process of resettling the millions of refugees from World War II completed. The United States cannot forget for a moment that its military involvement in Vietnam, Cambodia and Laos was a commitment to the people in that part of the world.

Many in the United States do recognize the country's responsibility to the residual Khmer, some 13,000 of whom have close relatives already in the United States. In April, Senators Robert Dole of Kansas and Mark Hatfield of Oregon led 21 of their colleagues to express their concern in a joint letter to President Reagan addressing the problem of Southeast Asia's residual populations and urging the administration to maintain the United States's commitment to the protection of refugees.

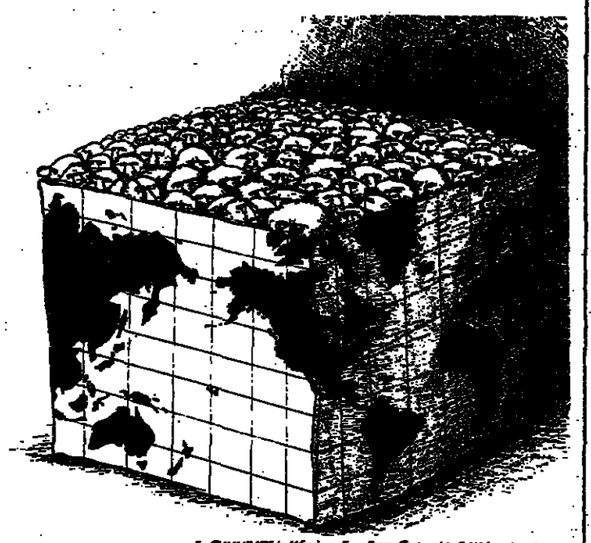
The U.S. Catholic Conference has joined an ecumenical group of 11 national organizations to propose a solution for part of the Khmer residual population. That solution is a family reunification program that would expedite resettlement for those Khmer with the closest family ties to the United States. To remove these people from their present dangerous situation, the proposal suggests accelerating regular U.S. refugee processing.

Unfortunately, residual refugees are present in every region of the world. In Hong Kong and Pakistan, in Italy and Indonesia, in Mexico and Djibouti, they languish.

As a traditional leader in refugee protection, the United States must take a leading role to seek solutions to the problem and to ensure that residuals are treated humanely. As long as it provides adequate resettlement opportunities for refugees with no other options, first asylum countries will offer haven to people fleeing persecution.

Each time America curtails resettlement opportunities, the world reacts: Other nations reduce their own numbers; first-asylum countries, most of them developing nations, begin refusing haven, fearing that their economies cannot bear the costs of sheltering new refugees who cannot be repatriated or absorbed and who, for lack of resettlement options, might never go away.

The writer, executive director of Migration and Refugee Services of the U.S. Catholic Conference, contributed this to The Washington Post.



Tax Triumph, Budget Fiasco Bear Reagan's Stamp

By David S. Broder

WASHINGTON — Congress left town last week to the usual mixture of cheers and catcalls. The members really should try to enjoy their August vacations, because September is going to be awful for them.

When they return, with elections just 60 days away, they face decisions on the basic federal fiscal plan for next year, spending decisions that will make few voters happy. But they will also get to put their final stamp of approval on the tax-revision bill that will be remembered as the major accomplishment of this Congress.

Why is it that Congress has done so well bringing off a huge and constructive overhaul of the tax system but has bogged down so badly on routine budget and spending bills? One answer leaps out. In the first case, Congress had the president's cooperation; in the second it has been fighting him every step of the way.

Dan Rostenkowski, the chairman of the House Ways and Means Committee, and Bob Packwood, chairman of the Senate Finance Committee, are astute politicians. They deserve the praise they are getting for bringing off the biggest redesign of the tax system since World War II. Along with such early flat-tax advocates as Senator Bill Bradley of New Jersey and Representative Jack Kemp of New York, they negotiated the measure past all the traps that various pressure groups designed to block it.

But no one, I think, would claim that Mr. Packwood and Mr. Rostenkowski are better legislative craftsmen or more diligent workers than the chairmen of the two budget committees, Senator Pete Domenici of New Mexico and Representative William Gray of Pennsylvania. Those two men forged agreements in their committees on spending plans for the coming year every bit as sound and workable as the tax plans Mr. Packwood and Mr. Rostenkowski devised.

The crucial difference is that Mr. Reagan backed the tax plan but has blockaded the spending blueprint.

A president cannot legislate. But he can either prepare the ground for the hundreds of small accommodations at the heart of the legislative process or he can mine the field with booby traps, blocking legislation.

Mr. Reagan set the stage for the triumph on taxation with his original proposal, 16 months ago. It was a bold and sweeping design, keyed to the clear, economically sound and socially desirable principle that rates could be lowered dramatically for nearly everyone if privileged persons, corporations and categories of economic activity were made to pay their fair share of the tax burden.

But the budget Mr. Reagan submitted to Congress in February was false in its economic assumptions and flawed in its fundamental concept. Instead of saying no to special privileges, Mr. Reagan actively sought privileged status for his cherished military buildup and the politically popular Social Security benefits. Putting these programs off limits dictated politically impossible and socially objectionable reductions in unprotected domestic programs — which the Congress had to reject.

And where Mr. Reagan properly laid down the principle that the tax bill should neither raise nor lower overall federal receipts, his budget proposed large-scale deficit spending. Not once as president has Mr. Reagan come close to suggesting that the people of America should pay for the government services he has recommended. Not once.

Ronald Reagan is just as deeply involved in the budget stalemate as he is in the tax-bill triumph. He made the tax victory possible. And he made a budget fiasco inevitable.

The Washington Post.

LETTER

The Risks of Travel

Mary Anne Fitzgerald's travelogue, "By Camel Into Africa" (July 4) and accompanying travel recommendations suggest that the only dangers of travel in rural Kenya are cobra and camel bites. Each year U.S. travelers develop serious illnesses in developing countries.

In 1984, 15 American students acquired the parasitic infection schistosomiasis after bathing in a small stream; two developed severe paralysis of their legs. "Plunging into rivers" in areas where schistosomiasis is prevalent is not advisable. Every year a number of travelers also contract malaria. This potentially fatal infection is preventable if appropriate medication is faithfully taken.

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Washington.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Rail Strike Settled

LONDON — The great railway strike is over. After negotiations [on Aug.19] a settlement was arrived at just before midnight. The men are to return to work at once. All men are to be reinstated at the earliest moment. The "Sunday Times" says: "If the Government is to be made to 'toe the line' by the rabble and by committees constituted by it, we are living under the conditions that prevailed during the most tyrannical and bloodiest epoch of the French Revolution. The end of such a road is found in the goal of a military dictatorship." The "News of the World" says: "The strikes are manifestations of dissatisfaction. They will pass away as they have before, but in the interests of the social and commercial prosperity of the nation, the causes of this unrest and dissatisfaction should be mitigated in a generous and kindly spirit."

1936: Plot Against Stalin

MOSCOW — Gregory Zinoviev, former secretary of the Third International, the association of national Communist parties, and one of Lenin's right-hand men during the period immediately following the Bolshevik revolution, virtually condemned himself to death [on Aug. 19] when he admitted before the Supreme Court of the Soviet Union that he had plotted to kill Josef Stalin, the present dictator of Soviet Russia. Leo Kamenev, his brother-in-law and former Soviet Ambassador to Italy, also faced the death penalty when he pleaded guilty to the same charge. With Zinoviev and Kamenev were thirteen other prisoners who admitted all the charges contained in the indictment. Two of them, however, admitted political and moral responsibility, but denied that they had actually participated in the plot.

INSIGHTS

Tax Law Would Alter the Way Americans Buy, Rent, Invest, Retire

By Gary Klott
New York Times Service

WASHINGTON — The personal financial affairs of every U.S. taxpayer would be touched in a fundamental way by the sweeping new tax law approved by congressional conferees.

The measure, if it is approved by the full Congress, would have an impact stretching far beyond the average 6-percent tax cut that individuals are projected to receive under the plan. The law would shape the way many people save for retirement and their children's college education, how much of a pension they will receive from their employers, how much rent they will pay their landlord, the real cost of buying a home and the cost of financing everything from cars to vacations.

With the scaling back of dozens of tax benefits, taxpayers would find they can no longer count as much on the federal government to help underwrite such expenses as business trips, home offices and uninsured medical expenses.

The new law also would change the rules of the game and the relative economic merits of the full gamut of investments, from Individual Retirement Accounts to tax shelters. Movie stars, athletes and wealthy professionals would discover that investing in railroad box cars, windmills, shopping centers and other tax shelters was no longer useful in whittling their tax bill to little or nothing.

INVESTORS who own stocks, gold, antiques or other such assets would no longer receive preferential tax treatment when they sold the assets. Profits would be taxed like wages.

Overall, the tax system would play a much smaller role in savings and investment decisions. The tax advantages for taking a particular course over another would be sharply diminished because so many special tax benefits would be curtailed, eliminated or reduced in value by the lower tax rates.

Most of the cutbacks in tax benefits would take effect Jan. 1. Tax rates also would effectively be lowered beginning Jan. 1, although not to as low a level as they would be in 1988 when the new system was fully in effect.

For 1987, there would be five brackets ranging from 11 percent to 38.5 percent. In 1988, the two-bracket system of 15 percent and 28 percent would take effect. More than 80 percent of taxpayers would be covered by the 15-percent tax bracket.

The rest would face a top rate of 28 percent. Some upper-income persons, however, could see some of their income effectively taxed at a top rate of 33 percent. That is because they would start to lose the benefit of having their first dollars of income taxed in the lower 15-percent tax bracket as they do now. At a certain income level, the wealthiest also would begin losing the benefit of the personal exemptions.

Because of the partial phase-in next year of the new tax rate schedule, some taxpayers could see their tax bills rise in 1987. But the vast majority — an estimated 81 percent — would have a tax cut.

In 1988, when the new rate system was fully in place, taxpayers would receive an average tax cut of 6.1 percent. The lowest income groups would receive the largest tax cuts, in percentage terms. Families at or near the poverty line would be removed from the tax rolls. For those earning from $20,000 to $50,000, the tax cut would range from 7.7 percent to 9.8 percent.

For those with incomes above $50,000, the tax cut would be more modest, averaging between 1 percent and 2.4 percent.

MILLIONS more Americans would no longer find the need to itemize their deductions, as a result of the increased standard deduction.

Borrowing money to finance cars, vacations and other consumer items would become a more expensive proposition: The new law would shut the door on the deduction for credit-card finance charges and consumer loans.

People who borrow money to finance investments, such as buying stocks on margin, would run up against another wall. Interest deductions on investment borrowings would be limited to the amount of income the taxpayer receives from investments, such as stock dividends and money market fund interest. People with large amounts of investment income would be able to deduct much larger amounts of interest.

Homeowners would be able to get around some of the restrictions by taking out larger mortgages on their homes. The new law would allow people to borrow against their home up to the original purchase price of their home plus any improvements, and to borrow for medical expenses and college expenses.

What follows is a rundown on changes in the package that would affect individual taxpayers:

Rates

The 14-bracket system of rates ranging from 11 percent to 50 percent would be condensed into two rate brackets of 15 percent and 28 percent. For 1987 only, the tax brackets would be a blend of the new and old system as part of the transition, with five rate brackets of 11, 15, 28, 35 and 38.5 percent.

Personal Exemptions

The personal exemption, now $1,080, would increase to $1,900 in 1987, $1,950 in 1988 and $2,000 in 1989. These amounts would be indexed for inflation in subsequent years.

Upper-Income Taxes

The benefit of the 15-percent bracket and personal exemptions would be phased out for upper-income taxpayers starting with taxable income above $71,900 on a joint return. These phase-outs would effectively make the top marginal rate for these individuals 33 percent. Married couples would not be able to escape this by filing separate returns.

Standard Deduction

The standard deduction would increase to $5,000 on joint returns, $4,400 for unmarried heads of household, $3,000 for single persons, and $2,500 for married people filing separately. Under current law, the zero-bracket amount, which is the equivalent of the standard deduction, is $3,670 on joint returns, and $2,480 for single returns and heads of households.

Capital Gains

Preferential tax treatment for long-term capital gains on stocks, gold, collectibles and other such assets would be eliminated as of Jan. 1. Thus, capital gains would be taxed at regular rates, just like wages, at rates of up to 28 percent. In 1987, the top capital gains rate would be 28 percent, even for people who face a higher rate on other income. Under current law, 60 percent of capital gains is excluded from tax, making for a top rate of 20 percent for assets held longer than six months.

Tax Shelter Losses

Taxpayers would no longer be able to use tax shelter paper losses to offset income from other sources, such as wages. This provision would be subject to the same four-year phase-out as the interest provisions. Under one exception, landlords who actively manage apartment buildings would be allowed to use up to $25,000 in losses to offset their other income. This benefit would be phased out for those with adjusted gross incomes from $100,000 to $150,000. Another exception would allow the use of up to $25,000 in losses for investors in low-income housing and real estate rehabilitation projects. This benefit would be phased out for incomes from $200,000 to $250,000.

Working Abroad

Americans living and working overseas would be allowed to exclude from U.S. taxation up to $70,000 of their foreign earnings each year, down from $80,000 under the current law. No income would be subject to the minimum tax. The conferees also adopted a provision aimed at increasing tax compliance among overseas Americans by requiring that applicants for passports or passport renewals complete an information return for the Internal Revenue Service disclosing foreign residence.

IRA Accounts

The full deduction for Individual Retirement Accounts would be retained for all taxpayers who are not covered by some employer retirement plan. The $2,000 deduction ($2,250 for one-income couples) also would be preserved for taxpayers where either spouse is covered by a pension plan but who have adjusted gross incomes below $40,000 on joint returns, and below $25,000 for single individuals. A partial deduction would be allowed for married couples with incomes from $40,000 to $50,000, and for single individuals with incomes from $25,000 to $35,000.

No deductions would be allowed for taxpayers with pension plans who have incomes above those amounts. These people, however, would still be allowed to make annual contributions to an IRA and still have money earned in the account accumulate tax-free until withdrawn.

401(k) Plans

Contributions to 401(k) plans would be limited to $7,000 a year compared with a $30,000 cap under current law. This plan is a federally approved employee savings program under which tax is deferred until the employee retires or leaves his company.

Pension Plan Vesting

Employees would be vested, or have rights to pension benefits accrued on their behalf under a much quicker timetable than under current law. Under the new law, participants would become fully vested after five years of service. An alternative formula would allow vesting at 20 percent after completion of two years of service, increasing by 20 percent each subsequent year until 100-percent vesting is obtained after seven years of service. Under current law, employees often have to wait as long as 10 years to be completely vested.

Elderly and Blind

People 65 or older and blind taxpayers would receive an extra standard deduction, instead of an extra personal exemption, which they receive under current law. Single individuals would receive an extra $750 and married people an extra $600.

Fringe Benefits

The plan would retain the tax-free status of the most common types of fringe benefits, such as employer-paid health plans and the first $50,000 in group term life insurance. A new deduction for 25 percent of the cost of health insurance premiums for self-employed workers would be allowed through 1989. The law also would extend the tax exemptions for some special benefits.

The tax-exempt status of employer-paid group legal services plans would be extended through the end of 1987. It was originally set to expire at the end of 1985. The plan also would extend until the end of 1987 the tax-free status of tuition assistance provided by employers under an educational assistance program, but the cap would be raised to $5,250, from $5,000 now. The tax exemption for dependent care assistance programs would be continued with a limit of $5,000 a year.

Interest Deductions

The deduction for interest on car loans, credit cards and other consumer purposes (other than home mortgages) would be eliminated. Interest on borrowings to finance investments, such as buying stock on margin, would be deductible only to the extent of investment income, such as stock dividends and money market interest. The new law would provide a phase-out for both the consumer and the financing types of interest so that, in 1987, only 35 percent of the ineligible interest would be disallowed for deductions, 60 percent in 1988, 80 percent in 1989, and 90 percent in 1990.

Mortgage Interest

Mortgage interest would remain fully deductible for first and second homes. Interest on additional homes would no longer qualify for a deduction. On first and second homes, homeowners would not be able to borrow unlimited amounts against their homes to evade limits on other interest deductions.

The new law would also allow ministers and military personnel to claim mortgage interest and property tax deductions even if they receive tax-free housing allowances.

Earned Income Credit

This credit would be enhanced to help more low-income parents and to provide more benefit to the poorest. The maximum credit would be $800 and would be phased out for incomes of $9,000 to $17,000. Under current law, the credit is a maximum $550 and is phased out for incomes of $6,500 to $11,000.

Two-Earner Deduction

This deduction of up to $3,000 for working married couples would be repealed beginning in 1987.

State and Local Taxes

The itemized deduction for state and local income and property taxes would remain. Deductions for sales taxes would be eliminated.

Unemployment Aid

The limited tax exclusion for unemployment benefits would be repealed. Beginning in 1987, benefits received would be fully subject to tax.

Income Averaging

This favorable method of calculating tax liability for people who have sharp swings in income from year to year would be abolished.

Charitable Deduction

Charitable contributions would no longer be deductible for taxpayers who otherwise do not itemize their deductions.

Medical Expenses

The itemized deduction for nonreimbursed medical expenses would be scaled back, making it harder for people to qualify for the deduction and providing a smaller benefit for those who do. The deduction would be allowed only for those expenses that exceed 7.5 percent of adjusted gross income, compared with 5 percent under current law.

Political Contributions

The credit for political contributions, worth up to $50, or $100 on joint returns, would be repealed.

Dividend Exclusion

The exclusion for the first $100 of stock dividends received each year, or $200 on a joint return, would be abolished.

Business Expenses

Most types of employee business expenses and all miscellaneous itemized deductions would be lumped into a single category of itemized deduction and would be deductible only to the extent they exceed 2 percent of adjusted gross income. These expenses include union dues, subscriptions to professional publications, small tools, investment expenses and tax preparation fees. Employee business expenses that were reimbursed by an employer would still be eligible for a full deduction and not subject to the 2-percent floor. The floor would not apply to gambling losses or to certain expenses incurred by handicapped employees.

Business Use of Home

Home-office deductions would be limited to net income received from the business. Under current law, deductions are limited to gross income. The new law would stipulate that these limits cannot be circumvented by having an employee lease a portion of the home to an employer.

Hobbyists

A sideline business, such as growing orchids, would be presumed to be a hobby and subject to strict limitations on deductions if it were not profitable in three of five consecutive years. Under current law, the presumption test is two of five years. The profit test for raising horses remains unchanged at two of seven years.

Educational Travel

Deductions for trips taken by teachers and others for educational purposes would be disallowed. Deductions for attending an investment seminar would no longer be allowed. Also, deductions for business travel by ocean liner would be limited to twice the per diem amount that top U.S. government workers are allowed for travel, or about $150 a day, on the cruise.

Scholarships, Awards

The tax exclusion for degree candidates would be limited to the amount spent on tuition and course-required equipment. Amounts spent for room, board or incidental expenses would no longer be excludable. Nondegree students would have to include in their income scholarship and fellowship grants. The exclusion for achievement awards such as the Nobel and Pulitzer prizes would be eliminated. The only way to avoid taxes on the prize money would be to donate it to charity.

Performing Artists

Struggling actors, musicians, entertainers and other performing artists could under certain circumstances avoid the 2-percent floor on employment-related expenses.

Moving Expenses

Deductions for moving expenses incurred by people who relocate to change jobs no longer would be available to taxpayers who do not itemize their deductions.

Numbers for Children

Children who are at least 5 years old would be required to have Social Security numbers. Parents claiming dependency exemptions would need to list the numbers on their tax returns beginning for returns filed in 1988.

Estimated Taxes

Taxpayers who are required to make quarterly estimated tax payments would have to pay them at a rate that would total 100 percent of the previous year's tax liability or 90 percent of the current year's liability. Taxpayers could choose either figure. The 90 percent figure is up from 80 percent under current law.

The Washington Post

Dan Rostenkowski of Illinois, left, chairman of the House Ways and Means Committee, and Bob Packwood of Oregon, chairman of the Senate Finance Committee, took the lead in the drafting of the proposed tax changes.

Hunting for the Endangered Deduction

By Leonard Sloane
New York Times Service

NEW YORK — The proposed tax bill is likely to touch off a rush by individuals in the coming months to qualify for more tax deductions than usual this year. It probably also will set people searching for ways they can defer income until 1987.

Nearly all of the bill's provisions affecting individuals would take effect Jan. 1.

"People typically tend to accelerate deductions and postpone income," said Ira H. Shapiro, director of tax policy at Coopers & Lybrand, an accounting firm. "But in this environment it becomes even more important, because the tax rate is higher this year than it will be next year for most people and also because there are a lot of deductions that will either be repealed or limited next year."

For the most part, the compromise bill agreed to by congressional tax conferees last weekend did not surprise financial consultants. With the legislation having reached final form, taxpayers can begin to take substantive action.

"I'm not sure you're going to find a lot of exotic things to do," said Herbert Paul, a tax lawyer in New York. "But there will be things that make good solid sense and for most people, it will be using all the bread-and-butter things that they can."

Consultants said taxpayers should use to the fullest extent provisions in the current law that allow for deductions such as union and professional dues, subscriptions to investment periodicals and tax planning and preparation advice. All of those deductions would be eliminated or sharply limited under the new legislation.

Since the new law also would abolish the deductibility of state and local sales taxes, individuals who have been considering purchase of a major item such as a car or a boat should buy it before the end of the this year, professionals said.

And since the law would raise the amount that must be spent on medical expenses before they can be deducted — to 7.5 percent from the current 5 percent of adjusted gross income — taxpayers might find it to their advantage to bring forward medical or dental spending.

On the income side, professionals could postpone some billing until 1987 while salaried employees could ask employers to postpone year-end bonuses until January. Some executives may be able to persuade their corporations to sign deferred compensation agreements with them, under which earnings in the final months of 1986 would be paid the following year.

In addition, anyone with savings in a bank money market deposit account or investments in a money market fund — in which income is taxed on a current basis — could switch these funds into a short-term Treasury bill or certificate of deposit that expires in 1987. In that way, all income taxes on this income would be deferred until the obligation matures, as long as the maturity is no more than 12 months.

CONTRIBUTIONS to 401(k) plans, which now have a ceiling of $30,000, should be increased as close to that level as is possible because under the new law individuals will be allowed to contribute a maximum of only $7,000. The 401(k) plan is a federally approved employee savings program under which tax is deferred until the employee retires or leaves the company.

Some of the most important year-end decisions to be made involve capital gains, a tax that would be eliminated under the bill. From Jan. 1, long-term capital gains, currently taxed at a 20-percent rate, would be taxed as ordinary income, at the rate of either 15 percent or 28 percent.

"Of all the planning that is going on, the thing that dominates is deciding whether to sell assets this year or the years thereafter," said J. Gregory Ballantine, national director for tax analysis at Peat Marwick, in Washington.

"If you bought stock, for example, in 1981, and you have made a big gain on it," he said, "you have to decide if you are going to hang on to the stock forever. If you do decide to cash in, the gain will be taxed at a 20-percent rate. After that, it will be 28 percent. That is a huge difference."

Changes in how capital gains would be taxed also could affect installment home sales.

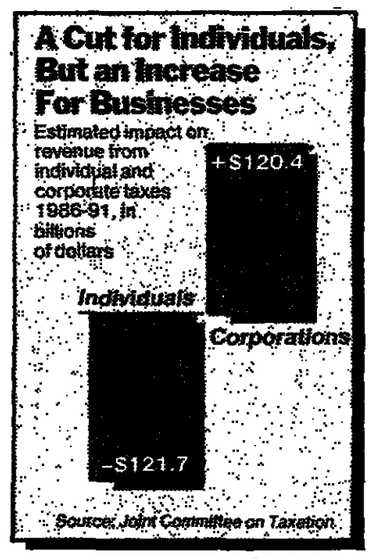
Edward Mendlowitz, a partner in the New York firm of Siegel, Mendlowitz & Rich, said that someone who had sold a home on an installment basis should try to accelerate payments into this year in order to pay tax at a lower, long-term capital gains rate.

On the other hand, persons who have held stock or other assets for six months or less should probably delay the sale of securities until after Jan. 1, when the short-term capital gains rate, now 50 percent, is abolished. These gains would also be taxed as regular income.

To take a deduction for a charitable contribution, it might be wiser to contribute stock rather than sell it.

EXPERTS warn, however, that these strategies may not apply in every case. Frank O'Connell, national director of tax service at Laventhol & Horwath in Washington, urged taxpayers in the highest tax bracket to consider whether they would really benefit by taking long-term capital gains before the end of December, rather than holding those securities for a number of years.

"Is it better to pay 20 percent now or 28 percent or so five years from now?" he asked. "On the basis of the time value of money, I'll bet it's better to pay 28 percent five years from now."



Bruce H. Scharf, a partner of Circle Consulting Group, a New York financial planning firm, said: "Something you can also do is ask your company to establish an insured medical reimbursement plan next year to cover benefits not covered now by your major medical plan. In that way, your costs will be covered when the higher deductible floor goes into effect."

He also suggested individuals consider the purchase of a universal life insurance policy for a minor child, rather than making a gift in the form of a custody account. Starting next year, those accounts would be taxed at the parent's tax rate, not the child's, when the child is under age 14, and interest earned exceeds $500.

Business's Burden Would Be Heavier, but More Evenly Spread Across Industries

New York Times Service

WASHINGTON — For corporate America, the new tax bill would provide hundreds of changes that are intended to increase sharply the tax burden on business but also provide a more level playing field that would no longer favor investment in certain industries.

The new system would create new winners and losers among industries as the corporate tax rate is sharply lowered and special industry tax breaks are curtailed.

Overall, business would pay about $120 billion more in taxes over the next five years as a result of the corporate changes. But the increase would not be spread evenly across industries. Businesses that have long been favored with special tax benefits, such as manufacturers and military contractors, would see their tax burden rise as a result of the new legislation.

But the picture would be different for many high-technology and service-oriented companies that have not been able to take advantage of special investment tax breaks in the past and thus have ended up paying close to the top 46-percent rate. They would see their tax bill fall substantially as the top rate drops to 34 percent.

To be sure, congressional tax writers lacked the political appetite to rid the tax code of all special industry breaks. Most benefits for oil and gas drilling, for example, were retained. But even where special benefits are retained, the stiffer minimum tax on corporations would sharply diminish the value of many preferences and ensure that every corporation paid a minimum amount of taxes.

Large banks would lose some of their most cherished tax benefits, including the deduction for bad debt reserves and interest deductions on tax-exempt bonds.

Cutbacks in depreciation write-offs would affect virtually every industry, from manufacturing to real estate. Manufacturers also would be hurt by the repeal of the investment tax credit. Changes in foreign tax law would affect many multinational companies.

Despite the increase in the corporate tax burden, many economists say that the economy would be better off in the long run because of the changes. They predict that U.S. resources would be channeled into their most productive investments, rather into investments undertaken only because of the tax advantages.

Rate

The top corporate rate would be reduced to 34 percent, from 46 percent. For taxable income of $50,000 or less, the corporate rate would be 15 percent; the rate for income from $50,000 to $75,000 would be 25 percent. Above $75,000, the 34-percent rate would apply. The benefit of the lower graduated rates would be available only for smaller businesses.

Corporate Capital Gains

The preferential tax rate on corporate capital gains — profits on the sale on an asset — now 28 percent, would be eliminated. Such gains would be taxed at regular corporate rates up to 34 percent.

Investment Tax Credit

This credit, worth up to 10 percent of the cost of machinery and equipment, would be repealed retroactively to Jan. 1, 1986.

Bad Debt Reserves Deduction

Large banks with assets of more than $500 million no longer would be able to claim a deduction for reserves they set aside to cover potential bad debts. No deduction would be allowed until actual loan losses occurred and the debt was charged off on the institution's financial statements. The law also would require existing bad debt reserves to be included in income over five years.

Tax-Exempt Bonds

Financial institutions no longer would be able to deduct interest on money borrowed to carry tax-exempt bonds. Under current law, they can deduct 20 percent of the interest.

Takeovers

The favorable tax treatment accorded to corporate acquisitions under the General Utilities doctrine, which arose from a 1935 Supreme Court ruling, would be repealed. The doctrine provided a valuable exception to the general rule that earnings from the sale of appreciated property are subject to double taxation: to the corporation when the sale occurs and when the net proceeds are distributed to shareholders.

Greenmail Payments

Corporations would not be able to deduct the cost of repurchasing their own stock from shareholders under "greenmail payments" to prevent hostile takeovers.

Entertainment Expenses

The cost of wining and dining customers and clients, now entirely deductible, would be only 80-percent deductible.

Depreciation

Business plants, machinery, equipment and real estate generally would have to be written-off over a longer period under a new depreciation system. The longer write-off period would mean smaller deductions each year.

Completed-Contract Accounting

New restrictions would be placed on this method of accounting that has allowed military and building contractors to defer paying taxes on some income until a project is completed.

Minimum Tax

A more potent minimum tax would be imposed on corporations. The rate would be set at 20 percent, up from 15 percent under current law, and more tax preferences would have to be added back to income, including tax-exempt bond interest, in figuring the tax.

Zimbabwe Frees Allies Of Nkomo in Unity Drive

The Associated Press

HARARE, Zimbabwe — Ten prominent political detainees were released Monday by the government to promote unity between the ruling Zimbabwe African National Union and the opposition party of Joshua Nkomo, Prime Minister Robert Mugabe said.

The prime minister said that the alternative was a treason trial that could have implicated Mr. Nkomo and ended talks to unify the country's two biggest political parties.

This unity is part of Mr. Mugabe's goal of establishing a one-party state in one of Africa's few Western-style democracies.

"It was possible at a later stage that Mr. Nkomo himself was going to be involved," Mr. Mugabe said. "The unity talks have now reached a stage where unity is possible. It would not be in the national interest to proceed further with these people."

Mr. Mugabe and Mr. Nkomo led rival guerrilla groups that fought the white-minority government of the former British colony of Rhodesia. They formed a coalition government, with Mr. Mugabe as prime minister, when Rhodesia became black-ruled Zimbabwe in 1980. But two years later Mr. Mugabe accused Mr. Nkomo of plotting a coup and dismissed him.

The cases of all those held under Zimbabwe's security laws or who are awaiting trial for alleged political crimes will be reviewed, and more detainees will be released soon, Mr. Mugabe said.

He did not say how long the review process would take or how many persons it will affect. There are believed to be more than 200 political prisoners, although no official figures have been given.

Four of those freed were members of Parliament: Edward Ndlovu, William Kona, Welshman Mabhena and Sidney Malunga, chief whip of Mr. Nkomo's Zimbabwe African People's Union.

Five former army officers and a corporal also were released. All were held on charges of plotting a coup and all were members of Mr. Nkomo's pre-independence Zimbabwe People's Revolutionary Army.

They were Brigadiers Charles Gray, Kindness Ndlovu and Tshile Nleya, Colonels Leon Kumalo and Joseph Ncube and Corporal Eddie Sigoge.

All 10 were arrested during a three-month crackdown on Mr. Nkomo's party following the first post-independence elections last July, when Mr. Mugabe's party won an overwhelming victory.

Longstanding tensions between the two parties eased shortly after the election, and Mr. Nkomo and Mr. Mugabe began talks aimed at merging their parties.

Reuters

HAILSTORM IN ITALY — A man in Casorezzo stood Tuesday amid the debris atop his house that was caused during the night by hailstones the size of apples and winds of 50 mph. The storm damaged hundreds of homes and buildings, destroyed crops and knocked down electric power lines in the Milan area. Dozens of people were injured.

U.S. Drug Agent Feared Death in Mexico

By Joel Brinkley
New York Times Service

WASHINGTON — The Mexican policemen who U.S. officials say tortured a Drug Enforcement Administration agent last week probably intended to kill him, according to officials close to the investigation of the case.

The Mexican government has denied that the American agent, Victor Cortez Jr., was mistreated.

Officials said Mr. Cortez had reported that while he was blindfolded and being tortured in a jail cell in Guadalajara on Wednesday, one of his captors told him: "If you think this is bad, wait until we get you out into the country, and you'll see what Camarena went through."

Enrique Camarena Salazar, another Drug Enforcement Administration agent, was kidnapped in Guadalajara, then tortured and killed, in February 1985.

U.S. officials said Monday that the agency that took part in the abduction of Mr. Camarena, the theft unit of the Jalisco state police, also was responsible for detaining Mr. Cortez.

Mr. Cortez told government investigators that when eight Jalisco police officers ordered him into a police car, he told them: "I'm not going with you. That's what happened to Camarena, and we all know what happened to him." The officers then forced him into their car at gunpoint, Mr. Cortez told investigators.

At a news conference on Sunday in Tucson, Arizona, Mr. Cortez said other U.S. agents in Guadalajara, by forcing his release from jail, had saved his life.

A senior federal law enforcement official said the remark Mr. Cortez heard while in captivity, and other information turned up in the investigation, had led investigators to conclude that Mr. Cortez "would have been taken elsewhere for further torture and probably would have been killed" if the other U.S. agents had not forced his release.

The Mexican government said that it had begun an investigation of the Cortez case. U.S. officials in Mexico said several representatives of the Mexican attorney general's office had arrived in Guadalajara.

A senior Mexican official said Monday that the Mexican government had not backed away from its contention that Mr. Cortez was detained only briefly and that he was not tortured or otherwise mistreated.

"I don't think a police officer, even one who had been corrupted, would be so stupid as to do this just then, knowing it would cause a major incident," the official said.

A State Department spokesman, Charles E. Redman, said the United States had not backed away from its assertion that Mr. Cortez was held for six hours and tortured.

But U.S. officials did change an element of their account.

On Friday the White House spokesman, Larry Speakes, and other officials said a cattle prod had been used on Mr. Cortez.

On Monday officials said further investigation had shown that the Mexican police did not use a cattle prod.

"What they did," an official said, "was douse his legs in water and tie electric wires around both of them and then give him shocks." The confusion arose, the official said, because Cortez was blindfolded and believed a cattle prod had been used.

John C. Lawn, head of the Drug Enforcement Administration, said on Sunday in Tucson that Mr. Cortez's detention was probably a result of several cocaine seizures he had made in recent weeks.

During the interrogation, a senior official said Monday, the Mexican police asked Mr. Cortez for the names and addresses of other American drug agents in Guadalajara, the number and kinds of weapons they carried, the types of cars they drove and information about drug investigations.

South Africa Says List of Detainees to Grow

Reuters

JOHANNESBURG — The South African government, which has named 8,501 people held under a state of emergency decree, said Tuesday that it would publish further lists of detainees.

The announcement, from the Ministry of Law and Order, supported estimates by independent monitoring groups that more than 10,000 people have been rounded up since the national emergency was imposed on June 12.

It said that a list submitted to Parliament on Monday by the law and order minister, Louis Le Grange, did not include people detained during the previous 30 days or those released after less than 30 days. Officials said the Public Safety Act compelled Mr. Le Grange to present supplementary lists of detainees to Parliament when their period in jail reached 30 days.

Sheena Duncan, of the Black Sash women's civil rights organization, said that the actual number of emergency detentions was possibly double the 8,500 named Monday. She said this was because many people had been released after an initial 14 days in detention.

The white opposition Progressive Federal Party, which has set up a Bureau for Missing Persons, has estimated that the number of detentions could be as high as 12,000. Another monitoring group, the Detainees' Parents Support Committee, has put the figure at more than 10,000.

ARMS: *Moscow Says U.S. Reaction to New Test Ban Is 'Disappointing'*

(Continued from Page 1)

Eduard A. Shevardnadze, the Soviet foreign minister.

"Beyond that it's foggy," he said, "it's impossible to see."

■ U.S. Allies Differ

Karen DeYoung of The Washington Post reported from London:

U.S. allies in Western Europe differed in their reactions to the Reagan administration's rejection of the Soviet call for a joint ban on nuclear testing, reflecting individual domestic pressures and their own weapons priorities.

Britain joined the administration in characterizing Moscow's third extension of the moratorium a "gesture" without substance. West Germany welcomed the extension, and France refused to comment.

Several members of the North Atlantic Treaty Organization, including Norway, Greece and Denmark, reportedly questioned the administration's contention that inadequate verification procedures stood in the way of the comprehensive test ban the Soviet Union says it is seeking.

Western Europe has been at odds with the United States over several aspects of the arms-control process.

The Europeans agree that the administration should be more willing to negotiate with the Soviet Union over its Strategic Defense Initiative. They also support a second summit meeting between Mr. Reagan and Mr. Gorbachev and accelerated talks over cuts in superpower offensive weapons.

Nuclear testing has not been a particularly divisive issue, primarily because it is something over which the Europeans differ among themselves.

Britain and France are the strongest supporters of continuing testing. Both maintain independent nuclear deterrents and both are in the midst of modernizing their nuclear forces. France carries out its extensive testing program in the southern Pacific, and consistently has declined to become involved in public debate over the issue.

Britain was the third party, along with the Soviet Union and the United States, to join in comprehensive test-ban talks that were ended by the Carter administration in 1980.

Official British policy still holds that a comprehensive ban is desirable. But, like Mr. Reagan, Prime Minister Margaret Thatcher now says that verification of such a ban remains insurmountable.

Some British scientists disagree with that assessment and accuse the government of wanting to continue its testing, which is carried out at the U.S. testing range in Nevada, until it is ready to deploy a new Trident missile-armed submarine system in the mid-1990s.

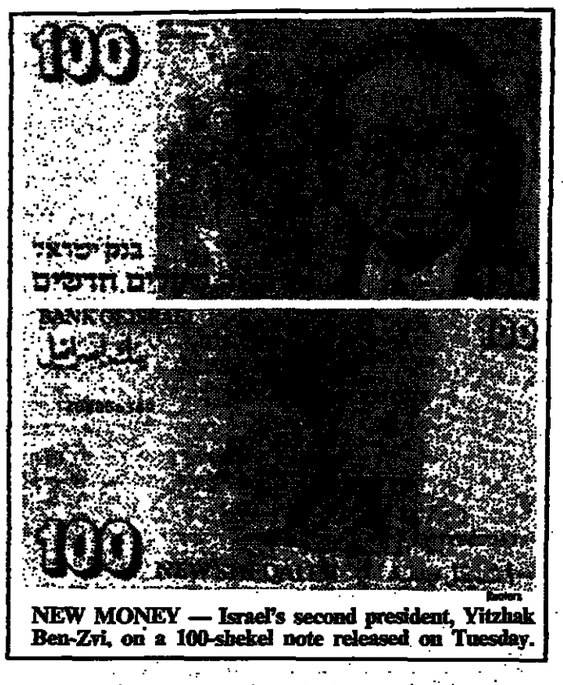
There is practically no public opposition to the testing program in France. In Britain, Mrs. Thatcher's Conservative government is widely supported on defense issues.

In West Germany, Chancellor Helmut Kohl walks a narrow line between overall support for the Reagan administration and separating his country from the hardline U.S. defense stance. With U.S. missiles deployed extensively on its territory and borders with East Germany and Czechoslovakia, West Germany is a strong promoter of any moves toward superpower conciliation.

Hans-Dietrich Genscher, the West German foreign minister, said that Mr. Gorbachev's statement showed that the Russians were interested in arms control negotiations and in a new summit meeting with Mr. Reagan.

Mr. Genscher said the extension of the Soviet moratorium could be a step toward a complete ban on nuclear explosions.

"It is important now that contacts between the Americans and the Soviet Union lead to a closer approximation of views on the question of verification," he said.



Reuters

NEW MONEY — Israel's second president, Yitzhak Ben-Zvi, on a 100-shekel note released on Tuesday.

Mubarak, Peres Aide Hold Talks

Reuters

ALEXANDRIA, Egypt — President Hosni Mubarak met with a senior Israeli official Tuesday to discuss a summit meeting with Prime Minister Shimon Peres, Egyptian sources said.

The sources declined to give further details, and the government clamped a news blackout on the talks between Mr. Mubarak and Avraham Tamir, the director-general of Mr. Peres's office.

Egypt's foreign minister, Esmat Abdel-Meguid, said after the meeting that he would make no comment.

Mr. Tamir, co-chairman of the Israeli delegation to Egyptian-Israeli talks discussing claims of sovereignty over the Taba enclave in the Sinai peninsula, arrived in Alexandria late Monday. He declined to discuss the reasons for his previously unannounced trip.

Israel Radio said he was in Egypt to discuss arrangements for a summit meeting between Mr. Mubarak and Mr. Peres.

Israel has been pushing for such a meeting and Mr. Tamir had previously said that it would be convened within two or three weeks after a Taba accord was signed.

Egyptian officials and state-controlled newspapers have made no reference to a summit meeting since both sides announced on Aug. 10 that they had agreed on most terms for arbitration on Taba, a 700-yard (640-meter) coastal strip.

The Israeli cabinet has approved a draft setting out terms for arbitration but Egypt has made no such move so far.

Egyptian officials said they first wanted an agreement on two remaining points, the names of three foreign arbitrators and the exact Taba boundaries.

A Mubarak-Peres meeting would be the first Egyptian-Israeli summit meeting in five years.

Mr. Mubarak's predecessor, Anwar Sadat, met with Menachem Begin, then the Israeli prime minister, in 1981, a few months before the Egyptian leader was gunned down in Cairo by Moslem extremists.

PRIEST: *Censure by Rome*

(Continued from Page 1)

ology, which involves social activism in behalf of the poor.

Father Curran's case had deeply divided American Catholics. Liberal Catholics said the Vatican's action against him violated any sense of intellectual freedom within the church, something that should be maintained especially in a university, they argued.

In dissenting from the church's ban on contraception and divorce, Father Curran represented the views of what polls have shown to be a substantial body of Catholic opinion in the United States.

The Vatican action, the letter from Cardinal Ratzinger said, was based "exclusively on your published works and on your personal responses" to discussion with Vatican officials.

"In effect," the letter said, "your own works have been your 'accusers' and they alone."

In his works, Father Curran has argued that the church should acknowledge nuances in regard to sexual issues.

In discussing his case last March, Father Curran said:

"It should be evident that the positions taken by me are neither radical nor rebellious but are in the mainstream of contemporary Roman Catholic theology. I find myself at home in the church and it's as much my church as anyone else's."

More traditionalist Catholics asserted that because his teachings on birth control, abortion and divorce so clearly contradicted doctrine, he should not be allowed to teach as a Catholic theologian.

This position was summarized Monday by Archbishop James A. Hickey of Washington, the chancellor of Catholic University in a statement released together with Cardinal Ratzinger's letter.

"I fully support this judgment of the Holy See," Archbishop Hickey said. "The Holy Father and the bishops have the right and the duty to ensure that what is taught in the name of the church be completely faithful to its full and authentic teaching. The faithful have a right to sound teaching and the church's officially commissioned teachers have a particular responsibility to honor that right."

MOSCOW: *No Plans for Talks*

(Continued from Page 1)

sharply criticized the Soviet Union for breaking off the talks, warning Moscow that it would not be allowed to participate in Middle East peace negotiations until it re-established full diplomatic ties with Israel.

Mr. Peres said the Russians had both initiated the talks and ended them abruptly. He said it was up to Moscow to initiate contacts again if they wished to continue discussions.

"It's very hard to analyze what makes Soviet diplomacy move or stop," he said. "But if the Russians really want to partake in political developments in the Middle East, as far as Israel is concerned they have to renew their diplomatic relations with Israel."

Mr. Peres, who was speaking in the town of Netanya, rejected the Soviet statement of Tuesday, saying: "Israel is not just a state, we are a people, and for us, the fate of the Russian Jewry will remain a central consideration in our feelings, in our deeds, in our positions. Nothing will change this historic fact."

An Israeli Foreign Ministry spokesman expressed regret over the Soviet statement, saying: "There is no change in the negative attitude of the Soviet Union toward Jews in that country. Israel will continue to see the issue of Soviet Jews as the most important issue between the two countries."

James M. Thresher/The Washington Post

Workers at a South Korean computer factory.

KOREA: *In Booming South, Work Ethic Fuels Gains*

(Continued from Page 1)

— cheap dollars, cheap oil and low interest rates.

"The second economic takeoff is near," said Choi Chang Yoon, political secretary to President Chun Doo Hwan.

The value of South Korea's currency, the won, is pegged to that of the U.S. dollar. With the dollar, it has declined against the Japanese yen, making Korean products cheap relative to Japanese products.

While the decline in the won's value has made imports from Japan and repayment of yen loans more expensive, exports soared by 35 percent in the first half of this year.

Cheap oil in the first half of the year knocked $1 billion off import bills, and the decline in world interest rates has saved the country about $150 million on debt service payments.

The three blessings have helped South Korea turn a crucial corner in its economic history this year. After decades of deficits in its foreign trade, South Korea is registering a significant surplus in its overall trade accounts, $600 million in the first six months of 1986.

However, industry remains hostage to foreign countries for a wide variety of crucial items, such as raw materials, production equipment, key components and oil.

The LeMans is a case in point. The car was designed by West Germans, the transaxle is Japanese, and every drop of gasoline is imported.

The list goes on. The key component in each Korean videocassette recorder — the tape drum, a high-precision component around which tape wraps as it plays or records — is made in Japan.

Korea's foreign debt is staggering. It owes $47 billion to overseas creditors. Foreign investment has played a comparatively small role here, because Koreans prefer to borrow the money and reap the profits themselves.

Company debt is also enormous. Balance sheets of many companies and banks would be considered case studies in bankruptcy in the United States.

"There's not a company in Korea that I would consider adequately capitalized," said Samuel A. Clark, general manager of Security Pacific National Bank's Seoul branch.

Last year the Kukje group, South Korea's sixth largest industrial and trading conglomerate, became overextended and collapsed. Swift action by the government minimized damage to the economy.

Officials gave financial incentives to other companies to take over salvageable parts of the Kukje empire. Foreign banks got a firm promise, later kept, that they would not lose money on any loans to Kukje.

Action like that and the economy's continued rapid growth have helped keep foreign banks bullish on South Korea.

In Latin America, dollars lent for development often end up in Swiss bank accounts, these banks say. But in South Korea, the banks say, loans go to the factory or power plant as the borrower promised they would. Repayment of principal and interest has never been in jeopardy.

Rarely has a society been transformed so fast. Villages have been depopulated, leaving only old people who cannot understand the changes that have overtaken them.

"There is work here, if you're willing to do farming," said Chin Ki Sook, a 74-year-old woman in the village of Waesomyong, northeast of Seoul, who has seen all six of her children move to the city.

Life in the villages has improved. In Mrs. Chin's community of 1,500 people, trim brick houses have replaced drafty hovels. Village streets are paved. People wear bright new clothing, there is electricity, and television antennas are common.

Still, Seoul exerts a powerful attraction.

"I long for the city," said a rice farmer, Chung Dong Ji, of nearby Mokdongyiri. "It is hard to get a job there. The pay is small. But it's still easier than life here." All that is keeping him in the village is a need to care for his mother.

Last year about 41,000 people moved to Seoul.

The capital is full of symbols of prosperity: Asia's tallest building, the 63-floor Daehan Life Insurance Co. tower; luxury hotels; underground shopping malls.

World Bank studies show South Korea doing fairly well in distributing this new-found wealth. Yet many people are deeply dissatisfied.

Indignation against long years of military-backed government is rising and with it, by many accounts, a feeling that the economic miracle also ignores the rights of large parts of society.

"We do not get a fair reward for our labor," said In Myung Jin, a Presbyterian minister who works with dissident union groups.

Government statistics indicate that 110,000 workers at companies of 10 employees or more earn only $26 a week or less. Automobiles remain hopelessly out of range for most people.

The factories that have produced the wealth are often dangerous, dirty places. Some, such as Sojin Industrial Co., a village producer of small wooden boxes for the herbal root ginseng, border on the Dickensian: women working at crude wooden tables on a concrete floor, the smell of sawdust in the air.

There is nothing remotely resembling American occupational safety rules in South Korea. Indeed, that is part of why production costs are so low.

In theory, South Korea has free labor unions. But management and government alike often treat the appearance of independent ones as a threat to society and use the police to break them up.

This has worked in some places. In others, it has simply forced organizers underground. Many of them are radical students who gain factory jobs by disguising their background.

"The company expects so much from its workers," remarked a young woman who has taken a job at a Seoul factory with hopes of organizing it. "In return, it won't listen to even the smallest request. Harassment and abuse are very common."

The opposition charges that South Korea has become far too dependent on the world economy.

Dissidents also criticize the concentration of power the government has fostered in the family-controlled conglomerates, which are often compared to the *zaibatsu*, the huge trading, manufacturing and financial conglomerates that dominated the Japanese economy before the war.

Sales of the top 10 conglomerates make up more than 60 percent of South Korea's gross national product. The top three — the Samsung Co., Hyundai and the Lucky-Goldstar group — account for more than 30 percent alone.

"Who can support a system like that?" asks the dissident political leader Kim Dae Jung.

TOMORROW: North Korea's seamless unity

PAKISTAN: *Opposition Campaign Loses Momentum*

(Continued from Page 1)

"*Zia, Go, Go!*" marched peacefully through the eastern city of Lahore on Tuesday. Hundreds of heavily armed riot police watched them but did not intervene.

The riot police nearly outnumbered the few hundred people who turned out for a protest in Karachi, and the rally was quickly dispersed by a charge of officers using clubs.

Turnout at other protests around the country was also small, but opposition leaders refused to concede their campaign was faltering. They called for daily protests for the rest of the week.

"The movement will continue until all the opposition leaders are released and an election date announced," an opposition leader, Shah Mohammed Amroti, said.

Even so, opponents of General Zia did not appear to be achieving their goal of nationwide protests.

Mr. Taseer said the government was resorting to force because it had lost all popular support. "They have lost the political battle and they are now resorting to violence and brutality," he said.

Army units were called out to assist the police in several areas of Sind province.

At least 16 persons were reported killed and dozens wounded in clashes between riot police and opposition supporters across Pakistan on Monday.

Ten persons were reported killed in clashes from Thursday through Sunday.

Local reporters and other witnesses said Tuesday that two police officers, two opposition protesters and a supporter of the prime minister's party were killed Monday night at Tando Khan in Sind province during a clash involving the police, anti-government protesters and pro-government activists.

Those killed Monday included an opposition supporter who died in Dadu when the police opened fire on a crowd, the government reported. Opposition officials said a second person also was killed there.

The death reported most recently was that of a protester killed Monday when the police opened fire on a crowd in Moro Chonk. A local magistrate announced the death Tuesday.

Opposition crowds have battled the police, attacked government buildings, set fire to banks and other businesses, disrupted road and rail traffic and held protest marches and meetings across Pakistan.

Riot police have broken up the protests with tear gas and baton charges and repeatedly fired on stone-throwing protesters with rifles and shotguns.

Railroad officials in Karachi, the country's largest city, said no trains had got through on Monday because of disturbances, and the government ordered all schools and universities in the city and Sind province to close until Sept. 2.

An estimated 10,000 people marched in Lahore on Monday, but the procession broke up peacefully after a roadblock manned by hundreds of police halted it in the heart of the city.

The government issued a statement Monday saying two policemen were killed and a third wounded while trying to move about 200 protesters from a road near the town of Khesana Mori. Two demonstrators also were killed.

GNP: *U.S. Growth Slows*

(Continued from Page 1)

economy, grew at an annual rate of 6.5 percent in the second quarter.

Investment spending by businesses, however, fell at a 2.3-percent annual rate after falling an even sharper 15.1 percent in the first quarter. The government said much of the decline resulted from cutbacks in oil and gas exploration and production caused by the dramatic fall in energy prices.

For the first six months of the year, the economy grew at an annual rate of 2.2 percent, far below the Reagan administration's original prediction of 4-percent growth for all of 1986.

Earlier this month, the Reagan administration trimmed its forecast to 3.2 percent. But to achieve even that scaled-back growth, analysts said, the economy would have to expand at a 4.2-percent annual rate in the final six months of the year — a pace far higher than most expect.

Many private analysts say that the country will be lucky to attain a growth rate of 3 percent in the final six months of 1986. Their pessimism is based largely on the fact that the country's poor trade performance is so far showing no signs of improving.

"That is about the best we can do, and to get that we will need an end to inventory liquidation and an improvement in trade," said Larry Chimerine, president of Chase Econometrics, a private forecasting firm. "We don't have any definitive evidence that either one of those things is happening yet."

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ARTS / LEISURE

Pop Music's Visionary Artists: On the Commercial Fringe

By Robert Palmer
New York Times Service

NEW YORK — How much of today's pop music could fairly be called visionary art? In the 1960s, the leading rock artists were *expected* to have a vision — a kind of burning dedication that fused their lives and personal development, and the evolution of their work, into a far-seeing, indivisible whole. The best artists — such as John Lennon of the Beatles, Lou Reed of The Velvet Underground and Bob Dylan — broke down barriers, creatively re-imagined present-day conditions and future possibilities, and redefined themselves with almost every record release.

If all this can be considered indicative of visionary art, in a pop music context, then one would have to say that nowadays, this sort of trail-blazing is all too rare. It's always a delight to discover a new artist who has something to say, some substantial insight to offer. Expecting more seems almost churlish.

Yet one does expect more from a truly visionary artist. In visionary art, questions of style — how one says something — are as urgent, and as central to the task at hand, as what is being said. In fact, the "what" and the "how" can't really be separated. In pop-music terms, this means that words and music don't merely work together; they can only be understood as one indivisible expression, one unit of meaning. Content, form and feeling become facets of the whole. It is difficult, if not impossible, to imagine any other way of saying what is being said, and to imagine any other artist saying it.

Judged even by these lofty standards, a few contemporary pop artists continue to qualify as visionaries. On two recent albums, Van Morrison's "No Guru, No Method, No Teacher" (Mercury, cassette and compact disk) and Robert Wyatt's "Old Rottenhat" (Gramavision, album and cassette), we find visionary artists listening to their own idiosyncratic muses, apparently oblivious to the latest fads in synthesizer programming and haircuts. Both artists were founding members of important '60s bands, Morrison with Them in the mid-1960s, Wyatt with Soft Machine later in that decade. It seems extremely unlikely that either artist would have been given the chance to make mass-distributed albums by today's bottom-line-conscious record business if they had not had such successful early track records.

Van Morrison has resolutely placed the imperatives of his own search for values and meaning above the sort of careerist strategies to which so many of his surviving contemporaries long ago succumbed. Perhaps the terms of his search were dictated early in his Belfast upbringing, when he was exposed to both traditional Celtic music and the ecstasies of black American rhythm 'n' blues. He has been struggling ever since to reconcile the mythic, almost otherworldly vision of the Celts, and his own search for spiritual satisfaction and enlightenment, with the apparent hedonism of blues and soul music.

Yet the answer was there in the beginning, as Morrison suggests in "Got to Go Back," the first song on his new album. He recalls schooldays when he would look out of a classroom window and dream,

And then go home and listen to Ray sing
"I believe to my soul" after school
Oh that love that was within me
You know it carried me through.

Ray is of course Ray Charles, whose songs were thinly secularized revisions of black Gospel music. The fact that those songs were most often heard in bars and clubs did not make their deeply felt spirituality any less transcendent.

But Morrison's quest is far from over. On "No Guru, No Method, No Teacher," he recognizes that every triumph is only the prelude to another cycle of even tougher challenges.

I know I must be on to something big
Every time I take two steps forward
I end up having to take three back,

he sings in "Thanks for the Information," the album's most perceptive, scathing and darkly hilarious song.

The richly lapidary textures of Morrison's music, with acoustic guitars, piano, oboe and English horn, and a tight but subdued rhythm section punching out the changes, are an effective fusion of Celtic and black American elements — a fusion only Morrison seems capable of carrying through. His soaring vocal phrasing, which twists into Ray Charles-style melisma even on tunes like "One Irish Rover," is an equally inspired, equally personal accomplishment. Morrison's albums are rarely consistent. But "No Guru, No Method, No Teacher" is more consistent than most, and at its best it displays the unity of purpose and expression that is the hallmark of the visionary artist.

Robert Wyatt was the drummer for Soft Machine until an accidental fall from a window in the early 1970s left him paralyzed from the waist down. His subsequent music, featuring his vocals and keyboards and some percussion, took a sharply original turn. His lyrics are bitingly political, but unlike much political pop they project a passionate emotional involvement. This emotional thrust and the musical vocabulary Wyatt has developed are organically linked. Harmonically and melodically his songs recall jazz ballads and smokey Existentialist cafes.

When Wyatt sings,

It's so easy to decide on a name
It's a name caller's game
We get so out of touch words take the place of meaning

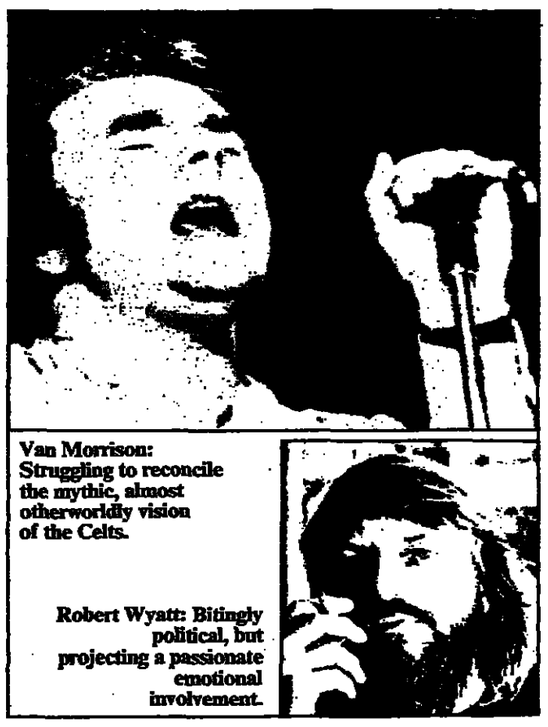
that last line echoes over and over, the overdubbed vocal choruses rolling back on themselves until the meaning really is lost in a welter of melodious syllables. And only Wyatt, with his defiant mixture of structural raw edges and compositional sophistication, could fashion a framework of abrupt harmonic modulations and melodic leaps sturdy enough to support a lyric like "Alliance." This study of shifting loyalties among liberals and the Left suggests to persons unidentified, but rather familiar,

I think that what you're frightened of
more than anything
Is knowing you need workers more
than they need you
"A herd of independent minds,"
Chomsky got it right
Jogging into battle waving old school ties.

Imagine these lines sung by a weathered male voice with intimations of Billie Holiday's later years, supported by electric keyboards that drone along like Terry Riley's music, and you've got a notion of what Wyatt's unique "Old Rottenhat" has to offer.

If works of such singular vision seem dangerously rare today, when one looks back at the 1960s from this vantage point, they were rare enough then. However, they tended to sell better, and the artists who made them were more widely recognized.

Perhaps no more than a handful of artists are engaged in visionary work at any one time; during the 1960s, the fickle trade winds of fad and fancy simply blew a few of the visionaries closer to the cultural mainstream. Today, certainly, the visionaries are on the commercial fringes, where one would tend to expect visionary artists to be found. The wonder of it all is that, for a few brief, giddy moments, pop music's commercial fortunes and the cutting edge coincided. Perhaps it could happen again.



Van Morrison: Struggling to reconcile the mythic, almost otherworldly vision of the Celts.

Robert Wyatt: Bitingly political, but projecting a passionate emotional involvement.

Selling Goodness, Badness

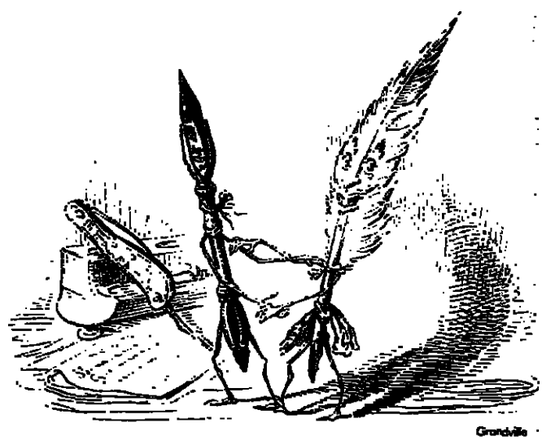
By Hans Koning

LONDON — Books-for-a-Change, which opened in London in June, is the one bookshop I know (here or anywhere) dealing only in those titles that the trade considers hardest to sell: books on pollution and ecology, on disarmament and the dangers of atomic war and nuclear power, on the Third World disaster areas, on racism in South Africa and elsewhere — in other words, books about goodness and badness.

Small bookshops have a hard time of it these days, what with the tough competition from the bookstore chains and a general tendency in the publishing world toward the printing, in larger numbers of copies, of fewer titles, which favors a "supermarket approach" to bookselling. (The small British bookshop does have a protection the American one lacks: Discounting of best sellers, which provides the bread-and-butter trade of the large American chains, is against the rules in Britain.) But now, toward the end of summer, Books-for-a-Change says it has not only survived the difficult first months but appears to have found a niche for itself in the London book scene.

Four organizations set up the shop: Friends of the Earth, War on Want, CND (the Campaign for Nuclear Disarmament) and the United Nations Association of Great Britain. One of the shop's directors is Michael Pountney, who used to be chief buyer for the largest British bookshop chain, W.H. Smith.

"We made the shop look almost exactly the way you would *not* expect it to look," Pountney said, and indeed, it is a smart place, painted a neat white and green, small but at a splendid location (52 Charing Cross Road, near Leicester Square) and free of that institutional dowdiness so often found where good intentions are supposed to be sufficient to motivate us. It has but one paid, professional staff member at the moment — the manager, Adrian Howe; the salespeople are volunteers. Presently, though, the shop will be ready to start paying its sales staff.



Grandville

Howe used to run the bookstore and book club of CND. "How is it different here?" I asked him. He looked solemn. "The difference," he said, "is that here there are customers."

A number of British publishers helped Howe get off the ground with extended credits and even donations, he said; "not the ones you'd have expected to," he added. In the first three months, Howe's, or the shop's, politics were challenged only once: An English lady in tweeds marched up to him and asked, "Is this a Commie bookshop?" Howe just shook his head and she ended up buying two books of poetry (all poetry and fiction in the shop is related to its basic subjects).

I spent a morning as a volunteer — I once long ago sold books at Christmastime in New York City's Doubleday on 52d Street. There we were told to steer our customers to the best sellers of the week and, among those, to the ones published by Doubleday. At Books-for-a-Change, no advice was volunteered, and little asked.

Here is the shop window as it was on my morning as a salesman:

"The Apartheid Handbook" by Roger Omond.

Biographies of Winnie and Nelson Mandela.

Some Third World novelists in paperback.

"The Shrapnel Academy" by Fay Weldon, an anti-war comedy.

Two books on radiation.

The Observer newspaper report on Chernobyl.

"Nicaragua, the Threat of a Good Example," by Dianan Melrose.

Rachel Carson's "Silent Spring."

A T-shirt reading "Pigs Can Fly/The Earth Is Flat/Nuclear Power Is Safe," from Friends of the Earth, with a winged pink pig on gray cotton.

And which item did I sell most of, and which has been the most popular all along? The pink-pig T-shirt. In which there may or may not be a lesson regarding the state of mind of the modern world.

Hans Koning's latest novel is "Acts of Faith" (Gollancz).

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Miller's Revised 'American Clock': A Powerful History of the Depression

By Sheridan Morley
International Herald Tribune

THE LONDON STAGE

LONDON — Much rewritten since a brief off-Broadway run five years ago, and drastically revised in production after a Birmingham outing more recently, Arthur Miller's "The American Clock" has reached the National Theatre's Cottesloe stage in a production by Peter Wood of considerable emotional and documentary power.

Acknowledging a debt to Studs Terkel's chronicle of the Depression, "Hard Times," Miller and Wood have opened up a play that once looked like a minor Clifford Odets family tragedy and turned it into a social history halfway between Dennis Potter's "Pennies From Heaven" and Noël Coward's "Cavalcade."

The central idea remains intact: to turn back the American clock to the 1930s and find out why a period of depression and despair did not lead to any kind of national revolution but instead, by the time Hoover had given way to Franklin D. Roosevelt, to a renewed faith in a country that from any objective point of view should have crumbled into anarchy or frozen into totalitarianism on European principles.

Writing in short, fragmentary scenes intercut with 25 songs — from the inevitable "Life Is Just a Bowl of Cherries" through the best of the Gershwins to "We're in the Money," all sung by actors who know they are not there to be singers — Miller starts on Black Thursday in 1929 and traces the effects of the Wall Street crash on two families.

One, the Baums, could have been an early outline for the Lomans: a middle-class family fallen on hard times, for whom poverty means the loss of a beloved piano and the need to board up their windows to keep the mortgage man away. Michael Bryant as the salesman no longer able to live even on a smile and a shoeshine, Sara Kestelman as the wistful musical wife and Neil Daglish as the son who (in a direct echo of Miller's childhood experience) manages to get all his money out of a bank just before it closes, buys a bicycle with it and then has the bicycle stolen within a matter of days, all achieve a family unit that holds an otherwise sketchy evening together.

Whether faking a family row so that the son can qualify for a rent check, or looking uneasily across at their Cousin Sydney, determined like Yip Harburg to keep the brightest songs coming out of the darkest times, the Baums remain at the Brooklyn edge of the tapestry. The other family we get to know, the Taylors of Iowa, are having to defend their farms from knockdown auctions by holding the local sheriff hostage.

Miller's view of the decade that shaped him as a writer and a man is complex: He has in "The American Clock" no nostalgia for an appalling time, nor does he bathe the farm-auction scenes in the current Hollywood glow of poverty recalled in affluence. Still, he is suggesting that the Depression was the United States's last "real" time, before the movies and the images and the myths were allowed to take over. No other event except the Civil War touched every family so deeply, and those who lived through the 1930s as breadwinners could never quite get away from the feeling that the bread might one day be taken out of their mouths again.

It is the incidental moments that make this production one of the most impressive in the recent and admittedly patchy history of the National: the president of General Motors seeing his job in terms of a flashy song-and-dance routine from a Fred Astaire movie, neighbors recalling silent streets suddenly full of the cries of babies as parents returned to live with grandparents, a street vendor going under a subway train while financiers go out of 60-floor skyscrapers.

"The American Clock has two faces: Miller remains torn between horror at the waste and a sense that, even at the time of their greatest defeat, the failed financiers and the bankrupt farmers knew something about the truth of America that has now been lost forever, in which case this history may well be doomed to repeat itself.

By consciously setting his play in a style that seems almost to parody Odets and the social-conscience drama of the middle '30s, Miller is also commenting on the theater of that time. The members of Wood's company, most playing three and four roles, manage to suggest that they were at the Mercury Theater under Orson Welles and John Houseman, and there could be no more perfect pitch than that.

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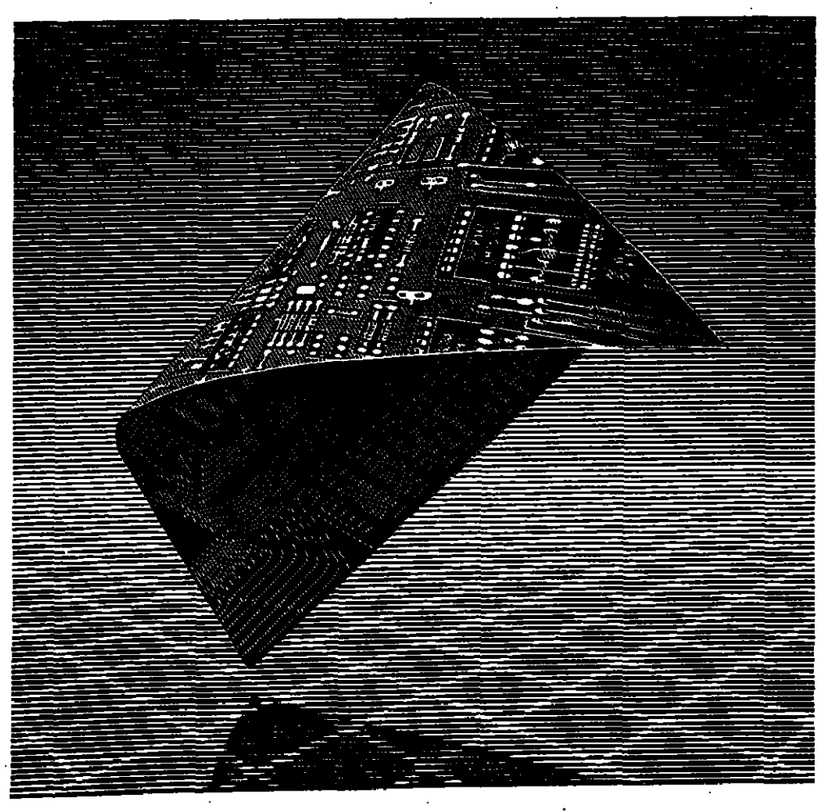

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• *Total Assets (in bn US $)*	*96.4*
• *Capital & Reserves (in bn US $)*	*3.8*
• *Branches Worldwide*	*1,410*
• *Employees*	*48,851*
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Tuesday's NYSE Closing

Via The Associated Press

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
ICN	18548	30⅛	26½	30	+1⅜
IBM	16472	137⅝	135⅝	136¾	+1⅜
HewlPk	11217	42⅝	40⅝	42⅛	+1⅞
GTE	10674	56⅝	55⅛	56¼	+ ⅝
PacGE	10235	26¼	25½	26¼	+ ¼
Mobil	9864	34⅞	34	34¼	— ⅜
MidSUt	9815	14⅜	14¼	14⅝	+ ¼
AT&T	9703	23⅝	23⅛	23⅛	— ½
CmwE	9568	34	33¼	33¾	— ⅛
OwenC	9488	81½	79⅞	81	+ ½
CSX	9336	30	29½	29⅝	— ¼
CBI In	9209	30¼	26⅝	30¼	+3⅞
IllPowr	9149	29⅛	28	29⅛	+1¼
TexUtil	8795	36½	35⅝	36¼	+ ¼
OwnIll s	8340	45¾	40½	44⅝	+4

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	90.59	+ 0.06
Utilities	92.23	+ 0.09
Industrials	88.94	+ 0.03

Market Sales

NYSE 4 p.m. volume	109,310,000
NYSE prev. cons. close	136,380,240
Amex 4 p.m. volume	8,320,000
Amex prev. cons. close	8,050,000
OTC 4 p.m. volume	111,273,700
NYSE volume up	46,293,100
NYSE volume down	51,541,400
Amex volume up	3,678,800
Amex volume down	2,964,400

NYSE Diary

	Close	Prev.
Advanced	759	786
Declined	866	828
Unchanged	389	372
Total Issues	2014	1986
New Highs	128	99
New Lows	17	20

NYSE Index

	High	Low	Close	Ch'ge
Composite	142.26	141.72	141.91	— 0.41
Industrials	161.72	161.01	161.13	— 0.69
Transp.	111.46	111.15	111.22	— 1.10
Utilities	78.64	78.14	78.64	+ 0.43
Finance	154.61	154.03	154.08	— 0.83

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
Aug. 18	268,787	458,635	39,273
Aug. 15	338,114	407,502	2,477
Aug. 14	221,297	398,304	6,722
Aug. 13	289,065	492,261	22,645
Aug. 12	278,092	470,332	8,829

*Included in the sales figures

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	1867.55	1880.20	1846.88	1862.91	— 6.61
Trans	751.75	754.75	738.63	744.00	— 7.38
Util	211.19	214.15	210.09	213.38	+ 2.25
Comp	719.98	725.21	711.52	718.27	— 2.52

AMEX Diary

	Close	Prev.
Advanced	273	260
Declined	319	315
Unchanged	221	235
Total Issues	813	810
New Highs	22	18
New Lows	9	9

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	273.06	271.15	271.74	— 1.28
Transp.	187.83	185.10	185.52	— 2.31
Utilities	120.14	118.95	120.07	+ 0.86
Finance	29.45	29.21	29.24	— 0.20
SP 500	247.42	245.82	246.51	— 0.87
SP 100	—	—	230.94	— 1.02

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	378.82	— 0.45	373.28	296.36
Industrials	374.56	— 1.04	370.01	303.28
Finance	521.41	— 0.11	512.95	279.47
Insurance	443.27	+ 0.39	430.54	346.89
Utilities	346.39	+ 2.61	339.83	288.45
Banks	436.37	+ 0.54	428.95	298.06
Transp.	320.49	— 1.15	319.97	274.16

NASDAQ Diary

	Close	Prev.
Advanced	919	842
Declined	1,181	1,130
Unchanged	2,267	2,394
Total Issues	4,367	4,366

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
BAT	4164	6⅞	6⅝	6⅞	+ ⅛
Wickes	4081	5⅛	5	5⅛	
JetAm	3211	4⅝	4⅛	4⅜	+ ¼
EchoB s	2514	18½	17½	18⅛	+ ½
PGEpfK	2409	24⅝	24½	24½	
HrnHar	1900	11⅞	10⅞	11⅜	+ ⅝
WangB	1799	13⅞	13⅝	13⅞	+ ⅛
PGEpfT	1559	28⅝	27⅝	28⅝	+ ⅞
PGEpfM	1477	23⅞	23¼	23¾	+ ⅜
Axon sc	1466	11⅞	11⅛	11⅝	+ ⅝
DomeP	1197	1	⅞	1	
ICH s	1135	30⅛	29⅞	29⅞	— ⅛
PlcrD g	1120	20⅝	19⅝	20⅜	+ ⅝
PGEpfP	1100	25⅛	24½	24½	+ ⅛
PGEpfV	1079	27⅛	26⅞	27	+ ¼

AMEX Stock Index

High	Low	Close	Ch'ge
271.49	270.20	270.57	— 0.65

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Dow Index Declines by 6.61

Compiled by Our Staff From Dispatches

NEW YORK — Share prices were lower at the close of the New York Stock Exchange Tuesday in moderate trading.

The Dow Jones industrial average, which rose 13.92 Monday, was down 6.61 to 1,862.91 at the close.

Declines led advances by an 8-7 ratio. Volume was 110 million shares, down from 112.8 million Monday.

"The market is still consolidating," said Barry Berlin, president of Shearson Equity Management. "Eight- or nine-point swings in the Dow at this point are not really significant."

Mr. Berlin said investors are waiting for major developments, such as a cut in the discount rate and a pickup in the U.S. economy.

The government reported Tuesday that U.S. inflation-adjusted gross national product grew at an annualized rate of only 0.6 percent during the second quarter.

Mr. Berlin said over the long term, the planned new tax law will help the market. But he said for the rest of 1986 the market could come under some additional selling pressure from investors who prefer to pay 20-percent tax on capital gains rather than 28-percent tax on gains next year.

Stock prices retreated despite a stronger bond market. Bond prices rose because investors in that market believe the weak gross national product data reported Tuesday will put more pressure on the Federal Reserve to cut the discount rate.

GNP measures the total output of goods and services and includes income from foreign investments.

Larry Wachtel of Prudential Bache Securities, noting that some 860 stocks declined and around 740 rose, said that "even keel figures in the breadth after being so overbought is encouraging."

"Normally we should run into some downside breadth after five days of superb breadth last week," he said. "It shows the market's willingness to hang tough."

Mr. Wachtel also said that anticipation of the discount rate cut, which should probably occur sometime in September, is an underlying strength for stocks.

He said that the tax reform bill, which was digested in the marketplace as it went through committee, may spur some additional capital investment and help the market simply because the rules are clearer now.

But Hugh Johnson of First Albany Co. said, "The bottom line is that the tax reform carries different implications for different companies and may take some time to sort out."

One analyst said the tax reform may be a "huge encouragement for some people to take their gains."

ICN Pharmaceuticals led the actives with a rise of 1¾ to 30⅛. The company was the target of some profit-taking Monday but recovered Tuesday following approval in Canada to market its Virazole drug for the treatment of respiratory syncytial virus.

IBM was the second most active stock advancing 1⅜ to 136¾.

Another computer company, Hewlett Packard, rose 1⅞ to 42⅛. The company reported higher third-quarter earnings and said order rates showed strong growth.

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
A										
26½	13½	AAR s	.44	2.1	17	89	22	21⅞	21⅞	— ½
30	21¾	ADT	.92	3.8		221	25	24½	24½	— ⅜
33	11½	AFG s	.08i	.3	17	72	31⅛	30½	30½	— ⅜
25⅝	13¾	AGS			14	207	19⅞	19½	19½	— ¼
15	9⅞	AMCA				263	30	10½	10¼	10½
60⅝	37½	AMR			14	2302	54⅞	53	53½	— ⅜
27⅛	23¾	ANR pf	2.67	10.5		3	25½	25½	25½	— ½
24	19¾	ANR pf	2.12	9.1		1	23¼	23¼	23¼	

(Continued on next left-hand page)

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Dow Declines 6.61; Story on Page 8 | 4 P.M. PRICES DOWN

INTERNATIONAL MANAGER

In U.K., Big Businesses Help Small Fry to Start Up

First of a three-part series on Youth in Business.

By SHERRY BUCHANAN

International Herald Tribune

LONDON — Two years ago Paul Neville and Dean Johnson, now 14, started Pd Computing, a partnership that publishes Micro, an award-winning monthly computer magazine aimed at young readers. The magazine now has a circulation of 300 in the Portsmouth area, southern England, and sells for 35 pence (about 50 cents) in schools and major book shops in the area.

The partners will not disclose their profits, but say that, for each issue, advertising revenue, at the rate of £10 a page, covers the cost of running the magazine.

"I expect to make my first million by the time I am 16," said Paul. "The main thing is that I enjoy doing this."

> "The British educational system tends to ignore the possibility of self-employment."

Paul is editor and advertising manager for the magazine and plans to expand the company into computer software writing. He works out of his family's home in Cowplain, Hampshire, and is chauffeured to his business meetings by his father.

Education remains a high priority for both partners, who plan to go to university.

"By that time, we hope to be able to employ people to run the company," Paul said.

In the meantime, preparing for their ordinary-level examinations, the equivalent of three years of American high school, the partners have decided to publish the magazine only quarterly to be able to cope with more homework.

The two youths have had the perseverance, skills and nerve to do on their own what big British companies are increasingly encouraging other teen-agers and young adults to do. Some companies are sponsoring them to start their own business by providing them with counseling, training and money. Others sponsor programs to teach teen-agers how to run a business.

The sponsorship was born out of the urgency to help the young unemployed in regionally depressed areas. The Royal Jubilee Trust's Youth Business Initiative, presided over by Prince Charles, for example, is specifically aimed at helping the disadvantaged unemployed under 25 to start their own business.

BUT CORPORATE SPONSORSHIP of budding young entrepreneurs in Britain is also aimed at young people in high school and university where "tycoon" is seldom mentioned as a career option.

"The British educational system tends to ignore the possibility of self-employment," said Robin Heal, manager of community projects at British Petroleum Co. "It is possible to go through the whole system without meeting anyone who might suggest to you that self-employment is an option." BP sponsors several programs aimed at encouraging young people to start up their own business, and awarded Micro magazine a special Youth in Business award.

According to Department of Employment figures on self-employment from a 1984 survey, 1.6 percent of Britain's 2.62 million self-employed are aged 16 to 19, whereas youths of that age make up 8.6 percent of total employees.

The Youth Enterprise Center in Newcastle provides counseling, training, office space, telephones and secretaries, as well as access to finance, in Northeast England for youths aged 16 to 25 wanting to start up their own business. It is a nonprofit organization sponsored by 40 British companies, including Marks & Spencer PLC, the retailer, and Legal & General Group PLC, an

See MANAGER, Page 13

Peru Has Loans Halted

IADB Move Is Further Blow

Compiled by Our Staff From Dispatches

WASHINGTON — The Inter-American Development Bank stopped disbursing money to Peru five months ago and will decide in September whether to suspend giving new credits to the country, financial sources in the United States said Tuesday.

The IADB's moves represent another blow to the South American nation that last week was shut off from new loans from the International Monetary Fund. Private banks also have stopped lending to Peru.

The country owes foreign banks and lending institutions about $14 billion. It owes the IMF more than $700 million.

"Peru has been behind on its payments for several months and the disbursements were detained in March," said one financial source, who asked to remain unidentified.

The government of President Alan García Pérez said last week, after the IMF declared it ineligible for new credits, that the IMF move would not affect its relations with the IADB or the World Bank.

But Peru's situation could worsen next month. Six months after the detention of credits by the IADB, the organization must consider formally if it will suspend its loans and what other steps it should take.

Separately, the president of Peru's central bank was reported Tuesday to have said that his country wants to repay its debt to foreign lenders at interest rates below market levels.

Leonel Figueroa told the El Nacional daily that these proposals were in line with the government's policy to limit debt-service payments to 10 percent of export earnings.

Peru will submit proposals to foreign banks and governments to reschedule repayment over a period much longer than normal, with some years of grace, he said. Interest rates sought would be below world market levels, Mr. Figueroa added. *(Reuters, UPI)*

Shoppers in the Klett Passage, a shopping mall in Stuttgart, where the shops are allowed to stay open late after store owners argued that it was beneficial for public order.

Horst Rudel

Stuttgart's Shoppers May Set Trend

By John Tagliabue

New York Times Service

STUTTGART — Frank Steinmann's store, a ragtag emporium of beer mugs and tee shirts, stays open till 10 every night — an uncommonly late hour by the tough standards of West German retail law.

While the question of how long a shop stays open may seem trivial to Americans used to all-night supermarkets and Sunday shopping, it has broader meaning for the government of Chancellor Helmut Kohl.

Bonn and other West European governments have come under growing pressure in recent months to heat up their economies and create the demand for goods that could help diminish the towering U.S. trade deficit.

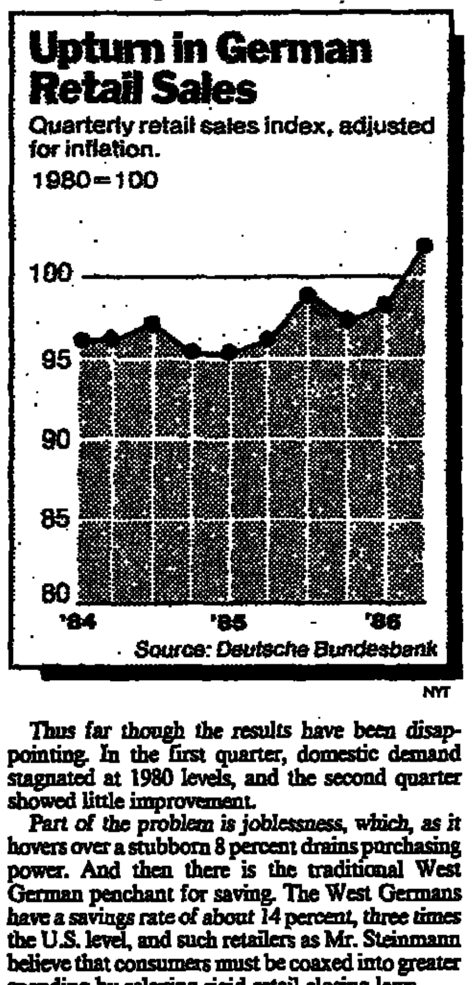
There has been stiff resistance so far on Bonn's part to Washington's calls for such direct action as cutting its interest rates. But other suggestions, such as an acceleration of the deregulation of business, appear to have been more warmly received. And it is as part of that effort that Mr. Steinmann's hours of operation become significant.

A number of economists say that the key to stimulating growth is the strengthening of demand, led by an increase in personal consumption. While retail sales have advanced sharply in West Germany this year, they were weak in the fourth quarter last year and the first quarter this year.

Retail trade is only part of the effort. Last month the Institute of the World Economy at Kiel University, a conservative economic research group, made recommendations affecting key business sectors, including transportation, telecommunications and retail trade.

The government is expected to consider the recommendations when it prepares legislation for the period after next January's national elections.

But for retailers and others, that may not be soon enough. With West Germany's export-oriented industries gradually feeling the pinch of a cheaper dollar, which makes U.S. goods more competitive, the government is banking on domestic sales and investment to take up the slack.



NYT

Thus far though the results have been disappointing. In the first quarter, domestic demand stagnated at 1980 levels, and the second quarter showed little improvement.

Part of the problem is joblessness, which, as it hovers over a stubborn 8 percent drains purchasing power. And then there is the traditional West German penchant for saving. The West Germans have a savings rate of about 14 percent, three times the U.S. level, and such retailers as Mr. Steinmann believe that consumers must be coaxed into greater spending by relaxing rigid retail closing laws.

With a few exceptions, these laws require that stores must close by 6.30 P.M. on weekdays and by

See STUTTGART, Page 13

Australia Sets Tough Budget To Slash Deficit

Reuters

CANBERRA, Australia — The Labor government handed down Australia's toughest budget in 20 years Tuesday, cutting public spending by three billion Australian dollars ($1.9 billion).

Treasurer Paul Keating told a rowdy session of Parliament that the tough budget was a response to the collapse in revenue from Australia's primary exports, which are mostly such raw materials as minerals and grain. This revenue drop has cut more than 6.5 billion dollars from a gross domestic product of about 250 billion dollars, he said.

GDP measures the total value of a nation's goods and services, excluding income from foreign investments.

There would be no growth in government spending and the budget deficit would be narrowed to 3.5 billion dollars this fiscal year from last year's 5.7 billion dollars, Mr. Keating said. The fiscal year ends June 30.

Both Mr. Keating and Prime Minister Bob Hawke have said that they are prepared to risk electoral defeat to achieve a budget appropriate to stem an economic decline that they have called Australia's greatest crisis since World War II.

"With the world having slashed our national income by over six billion dollars we could not continue as though nothing had happened," Mr. Keating said.

Mr. Keating satisfied financial markets' demands with a three-month postponement to December of promised tax cuts and a call to keep wage growth at no more than the 4.5 percent of 1985-86 wages.

Australians were also told that they would pay more tax on fuel, luxury cars, wine, swimming pools and other goods in addition to higher fees for government health care and education.

They will also have to carry identity cards to combat social welfare and tax fraud as part of a plan to trim 500 million dollars from welfare spending.

Defense spending was trimmed to 1 percent inflation-adjusted growth from a planned 3.75 percent, with little or no increase in military staffing.

Foreign aid was slashed by 67.4 million dollars, which included an 8.7-million-dollar cut in assistance to Australia's largest aid beneficiary, Papua New Guinea.

Mr. Keating forecast that the economy would slow to just 2.5 percent annual growth this fiscal year from about 4 percent last year and that inflation would remain at about 8 percent.

Foreign-currency markets promptly responded to the budget, boosting the Australian dollar more than one U.S. cent from Monday's closing price in Sydney to 64 U.S. cents. It rose in London upon news of the Keating announcement but then slipped back to close near its starting level of about 63 cents.

Currency dealers had said they would welcome a budget deficit close to four billion dollars.

Korea's GNP Grows 10.9%

The Associated Press

SEOUL — Powered by strong exports and brisk investment in plant facilities, South Korea's gross national product in the first half of this year grew 10.9 percent in inflation-adjusted terms, the Bank of Korea announced Tuesday.

The figure compares with 4.3 percent in the same period of 1985. The annual GNP growth rate last year was 5.1 percent, according to the central bank.

The biggest growth increases in GNP, which measures the value of goods and services and includes income from foreign investments, came in manufacturing and services, according to the bank's preliminary statistics. Exports, led by cars, electronics, textiles and footwear, grew 23.1 percent in the first half compared to last year's period, and investment in plant facilities grew 23.2 percent.

Currency Transactions Soar in U.S., Fed Says

Compiled by Our Staff From Dispatches

NEW YORK — In an apparent reflection of the dollar's growing volatility, the Federal Reserve Bank of New York reported Tuesday that foreign-exchange transactions by U.S. financial institutions this year have nearly doubled from the level of three years ago.

The New York Fed, which surveyed 123 U.S. banks and nine foreign-exchange brokers nationwide in March, said the average net daily volume rose to $50 billion from $26 billion in April 1983, when the last survey was conducted.

Similar studies have been made at three-year intervals since 1977.

But according to a separate study released simultaneously by the Bank of England on Tuesday, London leads the world in total foreign-exchange volume. The U.K. central bank said that British banks and brokers conducted net foreign-exchange transactions of $90 billion a day in March.

A Bank of Japan survey showed $48 billion a day net volume among banks in that country.

In all, the New York Fed study covered 123 money center and large regional banks and U.S. branches of foreign banks, accounting for "virtually all" bank foreign-exchange volume.

Separately, a first-time survey of 13 nonbank institutions showed that they averaged $8.5 billion per day in transactions during March. A nonbank is a financial institution that makes commercial loans or takes deposits, but not both. Many of these nonbanks have become increasingly active in the foreign-exchange market.

While the Fed provided no immediate analysis as to why the activity in foreign-exchange transactions has increased, analysts attributed the rise to the volatility of the market and to banks' efforts to make money through non-interest income.

"The big players have grown much more conservative in terms of the position they're willing to take, so you're seeing a lot of quick, small transactions," explained Lawrence Kreicher, an economist for Irving Trust Co.

"I think that this is really key to why the turnover has increased."

David Arbesman, first vice president of Prudential-Bache Securities, said that in the past, banks could "hedge," or lock in their rates for foreign currencies, "sit back and relax without having to worry about it."

"But people can no longer do this given the volatility of the market," he said.

The dollar has risen and fallen dramatically in recent years. For example, at its peak in early 1985, it was worth about 3.47 Deutsche marks, but has fallen to a low of 2.05 marks in recent weeks.

The most actively traded foreign currencies in the United States this year, according to the New York Fed survey, were the mark, which accounted for 34.2 percent of transactions by banking institutions; the yen, 23 percent; British pound, 18.6 percent; and Swiss franc, 9.7 percent. These currencies also were actively traded among brokers and nonbanks, the New York Fed said. *(AP, UPI)*

Bankers Urged To Approve Mexico Credit

Reuters

NEW YORK — The bank advisory group for Mexico agreed to recommend to a group of Mexico's commercial bank lenders that they participate in a $500-million contingency standby credit for Mexico, Citibank, which heads the advisory group, said Tuesday.

Citibank said the standby credit is part of a contingency facility totaling $1.6 billion, the balance of which is being provided by the United States and the central banks of 15 other countries in Europe, Japan and Latin America.

Speaking on behalf of the 13-member advisory group, Citibank said that funds would be made available to Mexico once it has received commitments from its creditor banks worldwide to about 90 percent of a medium-term commercial bank financing package. Negotiations on that package are expected to begin this week.

Earlier Tuesday, banking sources said Japanese banks have dropped a controversial demand that any future loans they make to Mexico be tied to tax breaks at home.

Currency Rates

Cross Rates — Aug. 19

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.3335	3.488	112.695 *	34.615 *	0.1638 *	—	5.442 *	139.33 *	151.41 y
Brussels(a)	42.875	64.00	20.705	6.3595	3.007 *	18.3745	—	25.8065	27.81 *
Frankfurt	2.0765	3.09	—	30.71 *	1.453 x	88.745 *	4.82 *	21.645 *	1.343 *
London (b)	1.5025	—	3.089	10.0613	2,125.50	3.484	63.975	2.4955	230.52
Milan	1,425.00	2,128.20	688.29	211.45	—	611.06	N.A.	851.43	9.249
New York(c)	—	0.6649 ≠	2.0465	6.6715	1,409.00	2.306	42.445	1.6513	152.75
Paris	6.742	10.0655	3.2558	—	4.7295 x	2.889	15.727 *	4.036	4.3734 *
Tokyo	154.15	229.61	74.47	22.88	10.83 *	66.10	360.00 *	92.19	—
Zurich	1.6625	2.4901	80.725 *	24.775 *	0.1172 *	71.655 *	3.8981 *	—	1.082 *
1 ECU	1.0192	0.6822	2.1091	6.8676	1,452.29	2.3772	43.6707	1.7058	157.852
1 SDR	1.20782	0.8091	2.50079	8.14312	1,718.17	2.8185	51.7953	2.0225	186.185

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (≠) To buy one pound: $U.S.1.504

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.958	Fin. markka	4.917	Mex. peso	682.00	Soviet ruble	0.6785
Austral. $	1.60	Greek drac.	134.50	Norw. krone	7.335	Span. peseta	133.85
Austr. schil.	14.52	Hong Kong $	7.808	Phil. peso	20.00	Swed. krona	6.927
Belg. fin. fr.	43.14	Indian rupee	12.58	Port. escudo	144.00	Taiwan $	37.16
Brazil cruz.	13.77	Indo. rupiah	1,130.00	Saudi riyal	3.753	Thai baht	26.065
Canadian $	1.3946	Irish £	0.7485	Sing. $	2.154	Turkish lira	668.95
Chinese yuan	3.7036	Israeli shek.	1.50	S. Afr. rand	2.6042	UAE dirham	3.673
Danish krone	7.7475	Kuwaiti dinar	0.2907	S. Kor. won	879.80	Venez. boliv.	19.52
Egypt. pound	1.35	Malay. ring.	2.5945				

£ Sterling: 1.1138 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits — Aug. 19

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	6 ⅜-6 ½	4 ⅞-4 ⅝	4½-4¼	9⅞-9 ¾	7-7⅛	7 ⅝-7 ¾	5 ¾
2 months	6½-6¼	4 ½-4 ⅝	4 ⅛-4 ⅛	9 ½-9 ¾	7-7⅛	7⅛-7¼	5 ¾
3 months	6 ⅜-6 ½	4 ⅝-4 ¾	4 ⅛-4 ⅛	9 ¾-9 ⅞	7 ⅛-7 ¼	7 ⅛-7 ¼	5 ¾
6 months	6 ⅜-6 ½	4 ⅞-4 ¾	4⅛-4⅛	9⅝-9 ¾	7⅛-7¼	7 ⅛-7 ¼	5⅞
1 year	6 ⅜-6 ½	4 ⅞-4 ¾	4 ⅛-4 ⅛	9⅝-9 ¾	7 ⅛-7 ¼	7 ⅛-7 ¼	5 ¾

Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates — Aug. 19

United States	Close	Prev.
Discount Rate	6	6
Prime Rate	8	8
Broker Loan Rate	7¾	7¾
Federal Funds	6¼	6 5/16
Com Paper 90-179 days	5.78	5.73
3-month Treasury Bills	5.53	5.60
6-month Treasury Bills	5.55	5.56
3-month CD's	5.60	5.80
3-month CD's	5.65	5.70
West Germany		
Lombard Rate	5.50	5.50
Overnight Rate	4.55	4.55
1-month Interbank	4.60	4.60
3-month Interbank	4.65	4.65
6-month Interbank	4.65	4.65
France		
Intervention Rate	7	7
Call Money	7	7⅛
1-month Interbank	7 1/16	7 1/16
3-month Interbank	7 1/16	7 1/16
6-month Interbank	7⅛	7⅛
Britain		
Bank Base Rate	10	10
Call Money	10	10
91-day Treasury Bill	9⅝	9 5/16
3-month Interbank	9 7/16	9 31/64
Japan		
Discount Rate	3½	3½
Call Money	4⅝	4⅝
3-month Interbank	4⅝	4⅝

Sources: Reuters, Commerzbank, Crédit Lyonnais, Bank of Tokyo.

Asian Dollar Deposits — Aug. 19

1 month	6 ⅜ - 6 ½
2 months	6⅜ - 6¼
3 months	6 ⅜ - 6 ½
6 months	6 ⅜ - 6 ½
1 year	6 ⅜ - 6 ½

Source: Reuters.

U.S. Money Market Funds — Aug. 19

Merrill Lynch Ready Assets 30 day average yield:	5.91
Telerate Interest Rate Index:	5.966

Source: Merrill Lynch, Telerate.

Gold

Aug. 19

	A.M.	P.M.	Ch'ge
Hong Kong	376.15	372.70	— 5.85
Luxembourg	372.75	—	— 5.75
Paris (12.5 kilo)	368.53	360.06	— 9.15
Zurich	371.80	374.13	— 3.62
London	372.50	374.40	— 2.85
New York	—	374.25	— 2.80

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

Markets Closed

Financial markets were closed Tuesday in Egypt and Turkey for a holiday.

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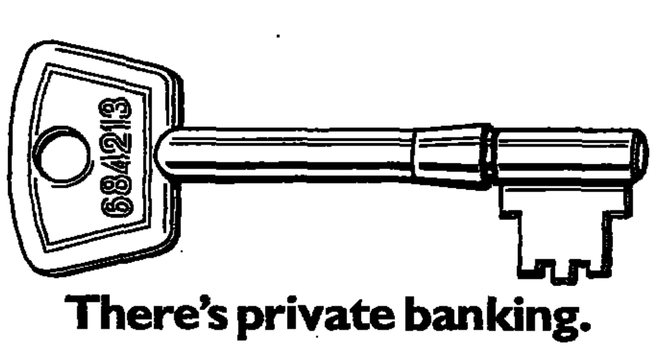

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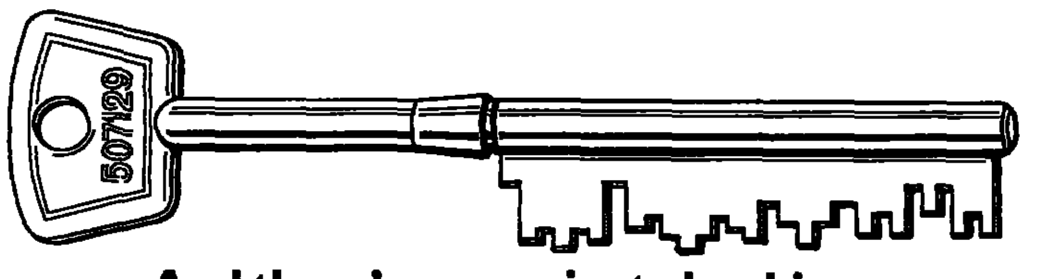

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Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
32½	27¼	ONEOK	2.56	8.0	13	175	32⅛	31⅞	32⅛	— ¼
38⅝	24⅝	OranRk	2.18	5.6	13	118	39	38⅝	39	+ ¾
11	6¼	Orange				463	7⅝	7⅛	7½	
40¼	23⅝	OrionC	.76	2.1		136	35⅝	35⅛	35⅝	
34¼	23	OrionC pf	1.12	6.7		48	31½	31⅛	31½	
51	49⅝	OriC adj	1.95e	3.9		1	49½	49½	49½	
18⅛	9	OrionP				352	14½	13⅞	13⅞	— ⅜
11½	7	Orion pf	.50	5.1		8	9⅝	9¾	9⅞	+ ¼
38½	20½	OutbdM	.64	2.1	20	547	30⅝	29⅞	30⅛	— ⅝
36	16	OvrnT s	.48	1.5	20	937	32⅝	31¾	32	— ⅝
30¼	13	OvShip	.50	2.1	19	138	24½	24	24⅛	— ¼
80½	32½	OwenC	1.40	1.7	17	9488	81½	79⅞	81	+ ½
41	22¾	OwnIll s	.95	2.1	15	8340	45⅛	40½	44⅛	+4
18¾	11⅜	Oxford	.46	2.9	17	134	15⅝	15¼	15⅝	— ¼

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

Hewlett-Packard Reports 5% Rise in Quarterly Net

United Press International

PALO ALTO, California — Hewlett-Packard Co. said Tuesday that its third-quarter earnings rose 5.1 percent from a year earlier on a 12-percent increase in revenue. The company, a manufacturer of measuring devices and computer products, also said orders for the third quarter were up 25 percent from a year earlier.

It said net income rose to $123 million, or 48 cents per share, from $117 million, or 45 cents a share, a year earlier. Revenue rose to $1.8 billion from $1.6 billion.

For the year to date, Hewlett-Packard reported earnings of $359 million, or $1.40 per share, down 1 percent from $362 million, or $1.41 per share, for the corresponding period in 1985. Revenue for the nine months was $5.2 billion, up 7 percent from $4.8 billion.

Xerox Offers 3-Year Warranty

The Associated Press

ROCHESTER, New York — Xerox Corp. introduced on Tuesday a desk-top copier that it said is the first in the industry with a warranty providing free repairs for three years of normal use. The Xerox 1012 is the smallest copier the company makes, and Xerox hopes it will double or triple the company's share of the desk-top copier market, a company official said.

NYSE Highs-Lows

NEW HIGHS 130

Adams Exp, AmFamily s, BaltGE, Brit Pet, CaroPL pfA, CinnBell s, ConEdisn, Crown Crk, Duke Pow, FedHmeLn pf, GEICO, Hannafrd s, HoughtMif, Ill Power, Leucadinl, MONY REst, Noecst Util, Ohio Edison, Orange Rk, PacGE, PaPL 870pr, PhEl 785pf, PSInd 896pf, Savannh EP, SierraPacR, Southern Co, StatMut Sec, Tex Util, Union Elec, WestghEl, AlaPw 11pf, Ameritech, BaltGE pfB, BundyCp, Carter Wall, CinnGas El, ConEd 5pfA, Dekmor PLt, DualJ 250pf, FedRlty s, GPU Cp, Hershey wi, Housint 625, IpalcoEnt, Leslay GE, NYStaEG, NSPw 360pf, OhEd 444pf, OwensCng, PacTel s, Phila Elec, PhilaSub, RobshwCon, SavanEP wi, SnapOnT s, SouNET pfA, SunChem, TastsRoll s, USWest s, WiscEP, Am Cyan, AtlCity El, BellSouth, CBI Ind, Centel, CommwlthEngy, CnPw 378pr, DigitalEq s, EmpDist El, FlaProgress, GoldWstFn s, Hitachi, Housting, JerCenP 4pf, McDer 220pf, NYS 848pf, Nynex s, OhEd adj pf, OwensIll s, PacifiCorp, PhilaEl 7pf, PitneyBow, SafeguardSci, SavnhEP A, SauJer Ind, SwstBell, Syntex s, Tri Cont, WICOR, WiscPw Lt, AmEl Pw, AVEMCO s, Benef 5pf, CaroPwLt, CentSo West, ConAgra, Contel, DominResc, ExCello, FordMot s, GrnMtPwr, HartzBncp, IE Indust, KansCtyPL, MidSoUtil, NIM 410pf, OgdenCp, Okla GE, PacA IncSh, PaPL 840pr, PhEl 133pf, PortGenCp, SallieMae, ShellTrns, SouCalEd, Swest PSvc, TaftBrdcst, TucsonEP, WelngtnRlt, Wis PubSv

NEW LOWS 17

AmShipB, Comaupr, IntlMinCh, NRMineSv, Zapata Co, BankAm adj p, Enerch de pf, Intl Rect s, Navstr wtC, BkAm spcl pf, FtBTx adj pf, Konabev adj, SeaCntLtd pf, vjBekerInd p, IllPw adj pf, MiltonRoy, Tyler

U.S. Futures

Via The Associated Press

Aug. 19

Season High	Season Low		Open	High	Low	Close	Chg.

Grains

WHEAT (CBT) 5,000 bu minimum-dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
2.99	2.39	Sep	2.57	2.58	2.53½	2.53⅝	—.04½
3.09	2.44	Dec	2.59¼	2.61	2.56	2.56¼	—.04
3.08	2.43½	Mar	2.57½	2.58¼	2.54½	2.55	—.02¼
3.00	2.33¼	May	2.44½	2.45	2.42	2.42	—.02
2.50	2.23¼	Jul	2.36½	2.36½	2.35¼	2.35¼	—.01¼
2.39	2.37½	Sep				2.37	—.01

Est. Sales Prev. Sales 3,580
Prev. Day Open Int. 35,169 off 802

CORN (CBT) 5,000 bu minimum-dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
2.70	1.40	Sep	1.65½	1.65¾	1.63	1.63¾	—.02¼
2.35½	1.64¾	Dec	1.71¾	1.72	1.69¼	1.69½	—.02¼
2.42½	1.76½	Mar	1.81¼	1.81½	1.79¾	1.80¼	—.01¼
2.42	1.83½	May	1.87¼	1.87¾	1.85¼	1.86	—.01
2.27	1.84½	Jul	1.89¾	1.89¾	1.88½	1.88½	—.00¼
2.07½	1.82	Sep	1.89	1.90	1.88½	1.88½	—.00½
1.97	1.83	Dec	1.93	1.93½	1.92½	1.92¾	—.00¼

Est. Sales Prev. Sales 19,157
Prev. Day Open Int. 121,430 up 84

SOYBEANS (CBT) 5,000 bu minimum-dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
6.09	4.96	Aug	5.26	5.38½	5.15	5.15	—.14
5.55½	4.67½	Sep	4.92	4.93	4.78	4.78¼	—.08¾
5.56½	4.66	Nov	4.80½	4.82	4.71	4.71¼	—.06¼
5.65	4.75½	Jan	4.89	4.89½	4.79	4.79¼	—.06¼
5.76	4.85½	Mar	4.96½	4.97	4.85½	4.88¾	—.05¼
5.74	4.93	May	5.03½	5.04	4.96¼	4.96¼	—.05¼
5.77½	4.99½	Jul	5.08¼	5.08½	5.01¼	5.01¼	—.05
5.40½	5.06	Aug				5.00¼	—.04¼
5.02	5.01½	Sep				4.98	—.05
5.14	4.93	Nov	4.98	4.98	4.92	4.92	—.05

Est. Sales Prev. Sales 17,193
Prev. Day Open Int. 56,870 up 43,220

SOYBEAN MEAL (CBT) 100 tons-dollars per ton

Season High	Season Low		Open	High	Low	Close	Chg.
163.50	135.50	Aug	160.00	160.00	156.80	157.50	—.40
160.50	137.50	Sep	152.20	152.30	150.50	150.70	—.40
162.10	136.00	Oct	148.50	148.50	146.30	146.60	—.30
162.10	136.00	Dec	148.70	149.00	146.60	146.70	—1.30
163.70	136.00	Jan	150.00	150.00	147.00	147.30	—1.40
163.10	143.00	Mar	151.50	151.50	148.80	149.20	—.90
149.70	143.80	May	152.50	152.50	150.00	150.00	—1.50
159.00	146.10	Jul	152.00	152.00	150.50	151.70	—1.30
155.50	147.00	Aug				150.70	—1.30
151.00	151.00	Sep				150.70	—.30

Est. Sales Prev. Sales 12,242
Prev. Day Open Int. 45,809 off 195

SOYBEAN OIL (CBT) 60,000 lbs-dollars per 100 lbs.

Season High	Season Low		Open	High	Low	Close	Chg.
25.15	14.07	Aug	14.40	14.40	13.98	13.98	—.25
24.05	14.10	Sep	14.48	14.50	14.03	14.04	—.24
22.80	14.22	Oct	14.65	14.65	14.15	14.15	—.26
22.50	14.78	Dec	15.20	15.23	14.70	14.70	—.29
22.35	14.98	Jan	15.30	15.35	14.80	14.82	—.31
20.25	15.25	Mar	15.58	15.65	15.20	15.25	—.18
20.90	15.45	May	15.90	15.95	15.51	15.58	—.17
18.70	15.70	Jul	16.15	16.15	15.65	15.65	—.15
18.40	15.75	Aug	16.20	16.20	15.73	15.75	—.07

Est. Sales Prev. Sales 8,490
Prev. Day Open Int. 60,469 off 1,237

Livestock

CATTLE (CME) 40,000 lbs.-cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
61.75	49.85	Aug	61.12	61.15	60.50	60.72	—.45
60.85	49.45	Oct	60.25	60.45	59.25	59.42	—1.08
61.75	51.60	Dec	58.05	58.20	57.55	57.80	—.40
60.50	51.70	Feb	57.15	57.30	56.80	56.95	—.40
59.87	53.30	Apr	58.25	58.30	57.85	57.95	—.32
60.00	54.25	Jun	58.25	58.25	57.90	58.00	—.22
57.30	56.90	Aug	57.00	57.00	57.00	57.10	+.20

Est. Sales 20,419 Prev. Sales 21,268
Prev. Day Open Int. 62,927 up 1,860

FEEDER CATTLE (CME) 44,000 lbs.-cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
68.70	53.35	Aug	67.05	67.65	64.95	67.60	+.60
64.82	52.40	Sep	63.90	64.15	63.65	63.90	+.05
64.60	52.85	Oct	64.00	64.20	63.65	63.77	—.18
65.65	54.15	Nov	64.35	64.50	64.15	64.35	
64.70	56.25	Jan	64.10	64.10	63.85	64.02	+.02
65.55	56.75	Mar	63.95	64.00	63.72	63.92	+.02
64.90	57.00	Apr	63.50	63.60	63.25	63.40	
63.10	61.50	May	63.20	63.20	63.00	63.20	+.20

Est. Sales 1,882 Prev. Sales 1,944
Prev. Day Open Int. 11,921 off 209

HOGS (CME) 30,000 lbs.-cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
63.80	39.27	Aug	63.40	63.60	62.90	63.52	—.08
56.40	36.58	Oct	54.95	55.30	54.55	54.95	—.02
54.87	38.37	Dec	53.08	53.40	52.95	53.22	—.08
53.35	40.00	Feb	51.25	51.25	50.60	50.67	—.58
47.25	37.30	Apr	45.87	46.00	45.62	45.77	—.05
48.00	39.00	Jun	46.80	47.05	46.80	47.10	+.08
47.90	40.20	Jul	46.80	46.90	46.60	46.85	—.15
47.00	42.75	Aug	44.25	44.25	44.25	44.30	—.50
42.50	41.20	Oct	41.95	41.95	41.95	42.10	—.07

Est. Sales 8,520 Prev. Sales 9,598
Prev. Day Open Int. 30,163 off 940

PORK BELLIES (CME) 38,000 lbs.-cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
89.17	50.02	Aug	83.10	83.10	80.50	80.67	—1.63
81.85	56.40	Feb	75.80	76.08	74.57	74.92	—1.08
80.50	56.30	Mar	74.27	74.27	73.27	73.65	—.62
78.10	58.00	May	72.75	72.95	72.00	72.60	—.40

Est. Sales Prev. Sales 5,021
Prev. Day Open Int. 19,869 up 292

Season High	Season Low		Open	High	Low	Close	Chg.
73.35	57.60	Jul	70.40	70.40	70.20	70.40	—.45
71.40	65.52	Aug	67.55	67.55	67.55	67.55	—.35

Est. Sales 3,362 Prev. Sales 4,189
Prev. Day Open Int. 7,282 up 254

Food

COFFEE C (NYCSCE) 37,500 lbs.-cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
282.78	137.50	Sep	178.50	183.00	176.25	181.99	+3.49
287.10	138.00	Dec	180.00	185.75	178.53	183.98	+3.05
290.33	154.75	Mar	180.00	182.00	178.50	182.00	+4.00
291.83	142.25	May	179.80	183.00	179.00	182.25	+2.50
266.25	148.00	Jul	179.50	181.25	179.50	182.25	+2.50
255.00	171.50	Sep	181.00	181.35	180.00	181.35	—1.90
180.00	180.00	Dec				182.00	+1.05

Est. Sales 6,813 Prev. Sales 5,758
Prev. Day Open Int. 22,450 up 6,465

SUGAR WORLD 11 (NYCSCE) 112,000 lbs.-cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
9.42	4.05	Sep	5.55	5.55	5.20	5.20	—.40
9.40	4.82	Oct	5.75	5.88	5.57	5.62	—.22
9.50	5.53	Jan	6.00	6.12	5.90	5.92	—.22
9.64	6.03	Mar	6.68	6.73	6.44	6.50	—.22
9.82	6.35	May	6.87	6.90	6.61	6.64	—.26
9.92	6.58	Jul	7.05	7.05	6.73	6.78	—.30
7.92	7.84	Sep	6.90	6.90	6.90	6.90	—.18
9.60	6.66	Oct	7.27	7.27	6.98	7.01	—.28

Est. Sales 12,005 Prev. Sales 7,218
Prev. Day Open Int. 86,456 up 202

COCOA (NYCSCE) 10 metric tons-$ per ton

Season High	Season Low		Open	High	Low	Close	Chg.
2430	1712	Sep	1870	1872	1857	1860	—9
2425	1776	Dec	1949	1954	1935	1941	—8
2285	1825	Mar	1990	2000	1986	1989	—1
2184	1863	May	2016	2016	2016	2013	—7
2200	1875	Jul	2043	2043	2043	2038	—17
2147	1904	Sep				2065	—6
2180	2060	Dec				2090	—6

Est. Sales Prev. Sales 1,720
Prev. Day Open Int. 14,968 off 6,488

ORANGE JUICE (NYCE) 15,000 lbs.-cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
127.25	82.00	Sep	102.15	102.80	101.85	102.50	+.10
125.00	82.50	Nov	103.80	103.50	102.80	103.40	—.25
113.00	83.75	Jan	104.60	104.90	104.60	105.15	+.85
122.00	83.90	Mar	105.90	106.05	105.75	106.00	—.40
109.90	84.50	May	107.80	107.80	107.80	107.45	—.35
110.60	84.75	Jul				108.90	—.30
111.50	107.00	Sep				110.35	—.25
112.00	108.00	Nov				111.80	—.30
		Jan				112.80	—.20

Est. Sales 4,000 Prev. Sales 300
Prev. Day Open Int. 6,686 up 38

Metals

COPPER (COMEX) 25,000 lbs.-cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
63.35	56.70	Aug				57.10	+.30
70.90	56.80	Sep	57.10	57.25	57.05	57.20	+.35
		Oct				57.45	+.30
70.30	57.65	Dec	57.90	58.10	57.90	57.90	+.20

ALUMINUM (COMEX) 40,000 lbs.-cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
		Aug				51.25	+.10
61.20	46.90	Sep	51.30	51.45	51.25	51.40	+.10
		Oct				51.50	+.10
61.75	48.95	Dec	51.65	51.80	51.60	51.80	+.10
57.60	56.00	Jan				51.90	+.10
59.40	51.55	Mar				52.20	+.10
57.65	49.40	May				52.50	+.10
60.45	50.00	Jul				52.75	+.10
52.15	51.50	Sep				52.95	+.10

Est. Sales 105 Prev. Sales 170
Prev. Day Open Int. 1,101 off 76

SILVER (COMEX) 5,000 troy oz.-cents per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
555.0	499.0	Aug	510.0	510.0	508.0	511.8	+1.7
940.0	493.0	Sep	509.0	516.0	508.0	513.0	+1.5

PLATINUM (NYME) 50 troy oz.-dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
558.00	449.00	Aug	539.00	539.00	539.00	535.00	—3.30
563.00	303.50	Oct	533.00	541.50	529.00	535.70	—3.30
565.50	347.00	Jan	535.00	544.00	533.50	539.20	—3.30
572.00	351.00	Apr	540.50	548.20	540.50	544.20	—3.30
570.00	417.00	Jul	547.00	553.00	545.00	549.70	—3.30
585.00	464.00	Oct	551.00	557.00	551.00	555.70	—3.30

Est. Sales Prev. Sales 5,021
Prev. Day Open Int. 19,869 up 292

PALLADIUM (NYME) 100 troy oz.-dollars per oz

Season High	Season Low		Open	High	Low	Close	Chg.
135.50	111.60	Aug				124.05	—2.75
136.50	91.70	Sep	125.00	128.00	123.80	125.05	—2.25
128.00	115.50	Oct				125.05	—2.90
136.50	94.25	Dec	126.00	128.50	122.05	125.05	—3.00
126.00	102.00	Mar	125.50	128.00	124.25	125.55	—3.00
137.25	112.50	Jun	126.50	127.75	125.50	126.05	—3.00

Est. Sales Prev. Sales 704
Prev. Day Open Int. 6,346 off 25

Financial

US T. BILLS (IMM) $1 million-pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg.
94.86	88.00	Sep	94.59	94.63	94.57	94.61	+.04
94.78	89.85	Dec	94.73	94.78	94.71	94.74	+.05
94.78	89.58	Mar	94.68	94.74	94.68	94.72	+.07
94.57	90.58	Jun	94.52	94.59	94.52	94.57	+.08
94.30	90.83	Sep	94.31	94.35	94.31	94.34	+.09
94.05	91.48	Dec	94.09	94.11	94.09	94.09	+.09
93.80	92.38	Mar				93.84	+.09
94.03	93.17	Jun	93.62	93.62	93.62	93.63	+.13

Est. Sales 7,232 Prev. Sales 5,335
Prev. Day Open Int. 41,652 off 367

10 YR. TREASURY (CBT) $100,000 prin-pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
104-22	80-7	Sep	104-6	104-12	104-4	104-8	+16
103-8	80-2	Dec	103-14	103-20	103-14	103-16	+17
102-16	89-15	Mar	102-26	102-26	102-21	102-23	+15
101-23	100-2	Jun				102	+13

Est. Sales Prev. Sales 7,884
Prev. Day Open Int. 60,249 off 363

US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)

Season High	Season Low		Open	High	Low	Close	Chg.
104-20	56-29	Sep	101-28	102-15	101-25	102-8	+14
103-25	56-25	Dec	101-3	101-20	100-30	101-13	+13
102-30	56-27	Mar	100-3	100-22	100-2	100-16	+13
102-5	63-12	Jun	99-10	99-23	99-10	99-19	+12
101-22	63-4	Sep	98-13	98-30	98-13	98-24	+11
101-10	62-24	Dec	97-23	98-5	97-23	97-31	+1
100-26	67	Mar	97	97-14	97	97-8	+31
99-23	66-25	Jun	96-20	96-25	96-18	96-19	+30
99-12	74-8	Sep	96-3	96-6	95-31	96	+29
99-2	85-16	Dec	95-24	95-24	95-14	95-15	+28
94-11	89-12	Mar	95-10	95-10	94-31	95	+27

Est. Sales Prev. Sales 138,494
Prev. Day Open Int. 204,262 up 1,914

MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
103-1	79-10	Sep	97-23	98-11	97-23	98-18	+20
98-22	88-20	Dec	97-16	97-29	97-14	97-29	+31
95-25	93-5	Mar				97-15	+31

Est. Sales Prev. Sales 2,895
Prev. Day Open Int. 11,560 up 207

CERT. DEPOSIT (IMM) $1 million-pts of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
94.13	87.86	Sep				94.25	+.09
93.80	88.34	Dec				94.29	+.10
91.15	91.15	Sep				93.73	+.13

Est. Sales Prev. Sales
Prev. Day Open Int. 31

EURODOLLARS (IMM) $1 million-pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg.
93.86	87.08	Sep	93.83	93.91	93.83	93.90	+.09
93.87	87.28	Dec	93.86	93.97	93.86	93.94	+.10
93.77	87.44	Mar	93.76	93.87	93.74	93.85	+.11
93.57	88.84	Jun	93.57	93.68	93.57	93.66	+.12
93.29	89.29	Sep	93.33	93.41	93.33	93.39	+.13
93.00	90.18	Dec	93.01	93.11	93.01	93.09	+.12
92.71	90.94	Mar	92.71	92.82	92.71	92.80	+.12
92.41	91.69	Jun	92.42	92.53	92.42	92.52	+.12

Est. Sales 57,822 Prev. Sales 22,319
Prev. Day Open Int. 185,349 off 448

EUROPEAN CURRENCY (IMM) 125,000 units

Season High	Season Low		Open	High	Low	Close	Chg.
102.30	87.60	Sep	101.78	102.61	101.78	102.60	+.84
102.27	94.86	Dec	102.22	102.32	102.22	102.50	+.94

Est. Sales 125 Prev. Sales 144
Prev. Day Open Int. 622 up 9

BRITISH POUND (IMM) $ per pound-1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
1.5435	1.3240	Sep	1.4895	1.5005	1.4890	1.4975	+125
1.5360	1.3250	Dec	1.4765	1.4890	1.4765	1.4855	+125
1.5170	1.4340	Mar	1.4745	1.4745	1.4745	1.4730	+125
1.4500	1.4230	Jun				1.4590	+125

Est. Sales 12,001 Prev. Sales 4,701
Prev. Day Open Int. 29,480 off 1,095

CANADIAN DOLLAR (IMM) $ per dlr-1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.7305	.6809	Sep	.7167	.7167	.7150	.7165	+5
.7285	.6790	Dec	.7115	.7116	.7099	.7115	+3
.7256	.6770	Mar	.7053	.7067	.7050	.7065	—3
.7243	.7014	Jun	.7018	.7023	.7018	.7015	—7
		Sep	.6965	.6965	.6965	.6965	

Est. Sales 4,159 Prev. Sales 2,489
Prev. Day Open Int. 16,219 up 783

FRENCH FRANC (IMM) $ per franc-1 point equals $0.00001

Season High	Season Low		Open	High	Low	Close	Chg.
.14980	.12700	Sep	.14900	.14900	.14900	.14910	+118
.14885	.14380	Dec	.14800	.14875	.14800	.14875	—10
		Mar				.14825	

Est. Sales 26 Prev. Sales 4
Prev. Day Open Int. 277

GERMAN MARK (IMM) $ per mark-1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.4876	.3762	Sep	.4837	.4880	.4836	.4874	+32
.4899	.4090	Dec	.4854	.4899	.4854	.4893	+35
.4922	.4370	Mar	.4897	.4912	.4897	.4912	+34

Est. Sales 23,465 Prev. Sales 17,195
Prev. Day Open Int. 53,498 off 122

JAPANESE YEN (IMM) $ per yen-1 point equals $0.000001

Season High	Season Low		Open	High	Low	Close	Chg.
.006540	.004490	Sep	.006492	.006542	.006492	.006540	+54
.006566	.004720	Dec	.006517	.006566	.006515	.006564	+55
.006588	.005850	Mar	.006545	.006591	.006545	.006591	+51

Est. Sales 19,224 Prev. Sales 7,534
Prev. Day Open Int. 43,331 up 535

SWISS FRANC (IMM) $ per franc-1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.6072	.4790	Sep	.5982	.6050	.5977	.6048	+64
.6101	.4878	Dec	.6012	.6080	.6005	.6076	+65
.6137	.5125	Mar	.6050	.6100	.6050	.6100	+60

Est. Sales 21,319 Prev. Sales 15,218
Prev. Day Open Int. 36,531 off 135

Industrials

LUMBER (CME) 130,000 bd. ft.-$ per 1,000 bd. ft.

Season High	Season Low		Open	High	Low	Close	Chg.
182.40	145.50	Sep	170.00	173.50	169.50	172.60	+2.80
174.50	146.00	Nov	166.30	169.50	165.60	168.50	+1.70
175.00	150.00	Jan	167.60	170.80	166.70	169.00	+1.40
175.50	153.00	Mar	171.00	171.70	168.00	171.40	+2.40
174.50	155.50	May	172.00	172.00	169.00	172.00	+2.00
175.50	155.10	Jul	172.20	172.20	170.50	172.80	+2.00
171.00	163.50	Sep	172.00	172.00	171.00	175.00	+4.00

Est. Sales 2,228 Prev. Sales 1,861
Prev. Day Open Int. 4,935 up 109

Commodity Indexes

	Close	Previous
Moody's	896.00 f	902.60
Reuters	1,449.70	1,445.60
D.J. Futures	116.11	116.13
Com. Research	N.A.	204.68

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

Cash Prices

Aug. 19

Commodity and Unit	Tue.	Year Ago
Coffee 4 Santos, lb.	1.78	1.32
Printcloth 64/30 38 ½, yd	0.78	0.65
Steel billets (Pitt.), ton	473.00	473.00
Iron 2 Fdry. Phila., ton	213.00	213.00
Steel scrap No 1 hvy Pitt.	70-71	72-77
Lead Spot, lb	21¼-24	19
Copper elect., lb	64-65½	66-70
Tin (Straits), lb	3.4804	4.5677
Zinc, E. St. L. Basis, lb	0.44	0.41
Palladium, oz	130-136	102-104
Silver N.Y., oz	5.125	6.365

Source: AP.

U.S. Treasuries

Aug. 19

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	5.54	5.53	5.70	5.75
6-month bill	5.56	5.54	5.80	5.80
1-year bill	5.54	5.53	5.84	5.97

	Bid	Offer	Yield	Prev. Yield
30-yr. bond	100 25/32	100 27/32	7.18	7.28

Source: Salomon Brothers.

Merrill Lynch Treasury index: 157.39
Change for the day: +0.94
Average yield: 4.88 %
Source: Merrill Lynch.

London Metals

Aug. 19

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM Sterling per metric ton				
Spot	743.00	743.00	746.80	747.50
Forward	747.50	749.00	751.00	752.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	842.00	842.50	844.50	845.50
Forward	861.00	861.50	863.50	864.00
COPPER CATHODES (Standard) Sterling per metric ton				
Spot	840.00	840.50	842.00	842.50
Forward	860.50	861.00	863.00	865.00
LEAD Sterling per metric ton				
Spot	267.50	268.50	267.00	268.00
Forward	268.75	269.50	268.75	269.50
NICKEL Sterling per metric ton				
Spot	2510.00	2520.00	2490.00	2500.00
Forward	2530.00	2540.00	2520.00	2525.00
SILVER Pence per troy ounce				
Spot	339.00	341.00	343.50	344.50
Forward	347.50	349.00	352.00	353.00
ZINC Sterling per metric ton				
Spot	515.00	525.00	520.00	530.00

Source: AP.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

Aug. 19

Strike Price	Calls-Settle Sep	Dec	Mar	Puts-Settle Sep	Dec	Mar
47	1.79	2.51	2.83	0.05	0.63	0.99
48	0.94	1.85	2.43	0.20	0.95	1.35
49	0.37	1.30	1.93	0.63	1.41	1.81
50	0.10	0.95	1.58	1.36	—	—
51	0.03	0.66	1.15	—	—	—

Estimated total vol. 10,654
Calls: Mon. vol. 4,722 open int. 44,649
Puts: Mon. vol. 1,713 open int. 60,274
Source: CME.

Dividends

Aug. 19

Company	Per	Amt	Pay	Rec
INITIAL				
Guilford Mills	Q	.15	9-12	9-2
STOCK SPLIT				
Engineered Support Sys — 5-for-4				
USUAL				
Chicago Rivet Mach	Q	.30	9-20	9-5
Connecticut Water	Q	.37	9-15	8-28
Delta Natural Gas	Q	.26	9-15	8-31
Essex County Gas	Q	.58	10-1	9-15
Genuine Parts Co	Q	.32	10-1	9-8
Imperial Oil A	Q	.40	10-1	9-2
Overmyer Corp	Q	.10	9-25	9-12
Pennsylvania Ent	Q	.35	9-15	9-2
Quick & Reilly Gp	Q	.07	10-1	9-2
San Diego Gas Elec	Q	.59 ½	10-15	9-20
Valley Forge Corp	Q	.03 ½	9-16	9-5

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

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Merrill Lynch to Join In Taiwan Venture

Reuters

HONG KONG — Merrill Lynch & Co. said Tuesday that it is participating in a Taiwan-based joint venture that will launch an investment fund in October to facilitate the entry of overseas capital into the Taiwan stock market. The size of the fund has not yet been decided.

A Merrill Lynch spokesman said the joint venture, China Securities Investment Trust Corp., also comprises Fidelity International Investment Management (Hong Kong) Ltd., Bangkok Bank Ltd., Yamaichi Securities Co. and the semiofficial China Development Corp.

BUSINESS ROUNDUP

6-Month Profit Off 2.1% At Standard Chartered

Reuters

LONDON — Standard Chartered PLC said Tuesday that its pretax profit for the six months ended June 30 fell 2.1 percent from a year earlier, to £131 million ($196.5 million at current rates), as the result of unfavorable exchange-rate fluctuations.

The big international banking group said that had 1985 first-half figures been restated at 1986 currency-exchange rates, pretax profit would have shown a £19.3-million increase instead of a £2.8-million decline. Standard shares dropped 8 pence on the London Stock Exchange after the report, to 729 pence.

Standard Chartered names four new directors. Page 13.

The company attributed the decline to lower earnings from its London international banking division and its operations in tropical Africa and South Africa. It said its British domestic and North American operations had performed strongly while activities in the Middle East, South Asia and Europe showed strong improvements.

Operations in Europe, the Middle East and South Asia returned to profitability in the period, while domestic profits rose by £10.8 million, to £69 million, Standard said.

It said profit in South Africa remained unchanged from a year earlier, but that this translated into an actual decline of £6.1 million, to £12.6 million, reflecting the sharp drop in the value of the rand in the period and Standard's lower stake in its South African unit.

Standard said that continuing economic difficulties in the Asia Pacific region, especially in Malaysia and Singapore, continued to depress results from the area. It said loan losses from the region continued into the first half of 1986, with Singapore and Malaysia being hardest hit.

The region's shipping sector showed little sign of improvement and this had adversely affected Hong Kong profits, it said.

Total group assets rose £500 million in the period, to £29.3 billion, it said. Lower tax charges — £56.6 million versus £68.4 million a year earlier — reflected a higher proportion of profits being earned in Britain and benefiting from the lower U.K. corporate tax, it said.

Extraordinary items included a £7-million charge to reflect the costs of defending against a £1.3-billion takeover bid by Lloyds Bank PLC, which failed last month, it said.

The charge for bad and doubtful debts rose to £67.4 million from £45.6 million. Specific charges rose to £52.4 million from £33.6 million while general charges increased to £15.0 million from £12.0 million.

P&G Scores Coup With Its Peridex Mouthwash

By Steven Greenhouse
New York Times Service

CHICAGO — In 1960 Procter & Gamble Co. shook up the U.S. toothpaste industry by getting the American Dental Association to endorse Crest as effective against cavities.

Now Procter has scored another coup: It has won the ADA's seal of approval for a new mouthwash that, the Cincinnati-based consumer-products giant says, fights the plaque and gum disease that at some time afflict almost everyone.

Analysts said the new mouthwash, called Peridex, is a breakthrough product that they expect to garner $50 million in annual sales by 1988. P&G announced that Peridex, which at least initially will be sold only by prescription, had also won the approval of the Food and Drug Administration and will be distributed throughout the United States later this year.

Recently, a number of manufacturers, including Colgate-Palmolive Co. with Dentagard and Procter itself with Crest Tartar Control Formula, have introduced toothpastes that are said to attack plaque. While some have been reported to be of value, none has won the ADA's endorsement.

Analysts noted that the new mouthwash is the latest thrust in P&G's successful offensive to recapture share in its three main markets: dentifrices, diapers and detergents. According to Hercules Segalas, an analyst with Drexel Burnham Lambert Inc., Crest's share of the toothpaste market, since the introduction of Crest Tartar Control, has jumped to about 39 percent, from 29.5 percent in March 1985.

"Technologically this new mouthwash is the most important thing in the oral care market since the original cavity-control Crest was introduced in 1956," Mr. Segalas said. He said that the new mouthwash "puts P&G in the lead to come out with an ADA-approved toothpaste that combats plaque." He added, "That will be a half-a-billion-dollar product."

Peridex's active ingredient is chlorhexidine gluconate. Chlorhexidine, which has been widely recognized as perhaps the most effective agent against plaque bacteria, has been used in mouth rinses and toothpastes in Europe but not before in the United States.

The dental association certified that, based on a review of six-month clinical studies, Peridex helps control plaque and gingivitis.

Gingivitis is an inflammation of the gums and tissues that support the teeth and is caused by bacteria in plaque, the sticky film that forms on teeth. Symptoms of gingivitis include red or swollen gums or bleeding during a dental exam or during brushing or flossing.

According to dental experts, gingivitis, if not properly treated, can grow into periodontitis, which often causes gums to separate from the teeth and can eventually lead to tooth loss.

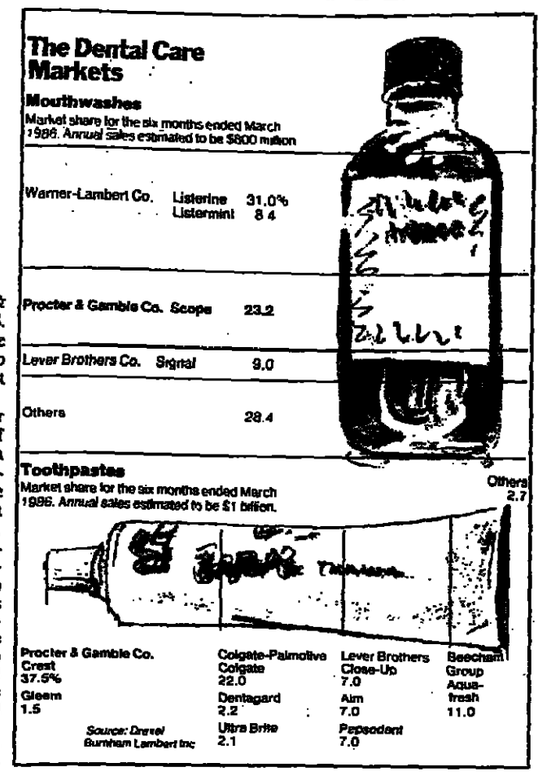
"Sometime in their life up to 95 percent of Americans get gingivitis," explained Robert Schallhorn, vice president of the American Academy on Periodontology. "While it's important in terms of irritation, the real concern with gingivitis is that in many cases it goes into periodontitis."

According to Mr. Schallhorn, half of Americans by the age of 30 have periodontitis and, by the age of 40, four-fifths suffer from it. One-half of the people over 60 have no teeth at all, mainly because of gum disease, he added. He emphasized that Peridex should be used as a supplement to brushing or flossing.

Dental experts said the FDA was allowing P&G to sell Peridex by prescription, and not over the counter, because in some users, chlorhexidine stains the teeth and affects the sense of taste.

Linda Ulrey, a spokesman for P&G, said, "some increase in staining may occur when using Peridex, but the staining can normally be removed with dental cleaning and polishing." She said the change in taste was temporary and was like drinking milk after tasting orange juice.

Experts also said many people found that chlorhexidine had a bad taste, but they said P&G had largely overcome that problem by adding a mint flavor to Peridex.



COMPANY NOTES

AB Volvo, the Swedish industrial group, has applied to sell its shares on the Tokyo Stock Exchange. The move is aimed at reinforcing the automotive, energy and food group's position on the Japanese market, Volvo said.

Allianz AG, West Germany's biggest insurance company, said it sold its Australian unit, Allianz Insurance Co., to Manufacturers Mutual Ltd. of Sydney. The terms were not disclosed.

Bougainville Copper Ltd. of Australia said higher production and rising gold prices helped it increase first-half profit, but no results were given. Copper prices, at 64 U.S. cents a pound, were at their lowest level since the 1930s but were offset by a rise in the gold price to $343 an ounce in the first half against $310 for first-half 1985, Bougainville said.

Ford Motor Co. will report higher earnings for 1986 than in 1985, the president, H.A. Poling, said. A 28-day strike recently settled at an Atlanta assembly plant, one of two producing Ford's Taurus and Sable cars, would not have any significant impact on results, he added.

Fruehauf Corp. of the United States, the object of a $48.50-a-share bid by Merrill Lynch & Co., has received another bid for all its common shares outstanding from a group led by Asher B. Edelman. The Edelman group proposed that up to 10.9 million shares be acquired for $49.50 each with Fruehauf providing $100 million and the group, $445 million.

Hitachi Ltd. of Japan is likely to have poorer parent company profit in the fiscal year ending March 31 because of the yen's appreciation

dollar, a company said. Securities analysts expected to be around yen ($653.5 million). earlier estimated 130 compared with 158.04 previous year.

ats Co. has acquired n Macaroni Co., a ker, for $275 million. d Quaker Oats anie acquisition two it disclosed its tentait to buy the San Lernia, company.

Corp., a major U.S. oducts conglomerate, t paying $130 million ercent of an Australian Nicholas Kiwi Australit it does not already own. The proposal would pay $2.33 a share to common stockholders of Nicholas Kiwi, which makes shoe polish and household items.

Standard Chartered Asia Ltd. is to arrange a loan of 540 million Hong Kong dollars ($69.3 million) to finance the construction of a 575-room hotel by Swire Properties Ltd. and Conrad International Investment Corp, both of Hong Kong. The 12-year facility is expected to be provided by about four banks.

Union Bank of Hong Kong Ltd. has bad debts amounting to 400 million to 500 million Hong Kong dollars ($52.6 million to $3.2 million), according to China Steam Merchants Navigation Co., a major shareholder of the bank.

3 U.K. Firms Back Boeing Plane Bid

Reuters

LONDON — Three British defense contractors announced on Tuesday their support for a bid by Boeing Corp. of the United States to supply its Airborne Warning and Control Systems planes to Britain's air force.

Plessey PLC, Racal Electronics PLC and Ferranti PLC signed a cooperation agreement under which they would provide equipment for the Boeing planes. The companies already have substantial dealings with Boeing.

The Boeing bid comes as Britain considers scrapping its own early warning plane, the Nimrod, for which General Electric Co. of Britain is supplying radar equipment. Earlier this year the Defense Ministry estimated that the aircraft, which is still not in service, had cost more than £880 million instead of the budgeted £250 million. The ministry said Monday that it was extending until October the deadline for GEC to show that Nimrod meets operational requirements.

Two other U.S. aviation companies, Grumman Corp. and Lockheed Corp., have submitted bids in an international tender announced by the ministry in January. Also bidding are Airship Industries of Britain; MEL, part of Philips NV of the Netherlands; and Pilatus Britten Norman, a subsidiary of Oerlikon-Bührle AG of Switzerland.

The Defense Ministry is expected to choose a system in late October. The final cabinet-level decision is due soon afterwards.

Goodyear Acquires U.K. Specialist On Tire Research

United Press International

AKRON, Ohio — Goodyear Tire & Rubber Co. said Tuesday that it has acquired a British company whose research could revolutionize the tire industry.

Howdins Ltd., formerly a Dunlop subsidiary known as Engineering Consultancy Service, has spent 10 years developing an automated rubber-compounding and tire-building system.

The purchase price was not disclosed. Although it made the announcement on Monday, Goodyear said it purchased the company in January from BTR PLC of Britain, which had acquired the subsidiary when it gained control of Dunlop in 1985.

Goodyear's chairman, Robert E. Mercer, said, "Fully automated tire production long has been a dream. Now, we believe the dream is about to become reality, and we are on the threshold of an entirely new era in tire production as well as considerably raising the level of tire uniformity."

Unilever Holds Third of Naarden

Reuters

LONDON — Unilever NV said Tuesday that it now holds nearly one-third of the shares of Naarden International NV.

Unilever NV, the Dutch arm of the giant Anglo-Dutch consumer-products concern, said Monday that it was considering a bid for Naardon at 90 guilders ($38.80) a share, valuing Naarden, a fragrance and flavors business, at about 300 million guilders.

Unilever said the companies were discussing a combination of Naarden with PPF International, a Unilever unit that is also in the fragrance business. Naarden reported net income of 22 million guilders on sales of 663 million guilders in 1985.

Marietta Offers to Sell Rocket

United Press International

WASHINGTON — Martin Marietta Corp. said Tuesday that it would offer its Titan 3 rockets for sale to launch commercial satellites at an undisclosed price. It said the Titan, now being produced for the Air Force, is the only large unmanned rocket still in production in the United States and could be ready for a commercial flight "as soon as early 1989."

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GRAND DUCHY OF LUXEMBOURG
R.C. Luxembourg B-22917

...s are hereby convened to the

ANNUAL GENERAL MEETING

...holders of U.S. FEDERAL SECURITIES FUND S.A., which ...ace at the company's registered office, 2, boulevard Royal, ..., on August 29th, 1986 at 11 a.m. for the purpose of ... and voting upon the following agenda:

...tal of the reports of the Board of Directors and of the ...ory Auditor;
...al of the Statement of Net Assets as of May 31, 1986 ...tement of Operations for the year ended May 31, ...
...tion of the net profits; Decision on the distribution of a ...idends;
...rge of the Directors and of the Statutory Auditor;
... of and action on nomination of the Directors and of ...tutory Auditor;
...ellaneous.

... on the agenda of the annual general meeting will require no ... will be taken at the majority of the shareholders present or ...

...attend the meeting of August 29th, 1986 the owners of bearer ...have to deposit their shares five clear days before the meeting at ...ed office of the Company or with Banque Internationale à ... S.A., 2, boulevard Royal, Luxembourg.

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Finland	F.M.	1,650	880	490
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Germany*	D.M.	560	300	170
Great Britain	£	120	65	36
Greece	Dr.	20,000	11,000	6,000
Netherlands	Fl.	634	340	190
Ireland	£.I.	140	77	42
Italy	Lire	350,000	190,000	106,000
Luxembourg	L.Fr.	10,700	5,800	3,200
Norway*	N.Kr.	1,650	900	500
Portugal	Esc.	19,000	10,400	5,700
Spain*	Ptas.	26,500	14,600	8,000
Sweden*	S.Kr.	1,700	920	520
Switzerland	S.Fr.	490	270	148
Rest of Europe, North Africa, former French Africa, Middle East	$	400	220	120
Rest of Africa, Gulf States, Asia	$	550	300	165

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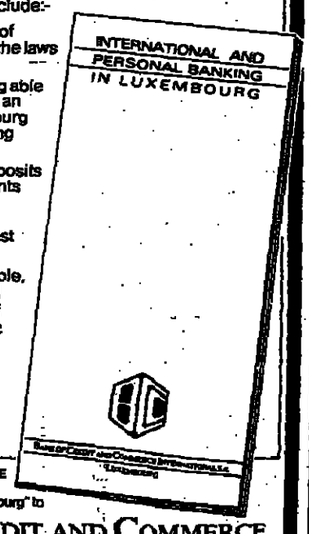

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(Continued From Back Page)

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Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

Wall Street Brokerages Start Drug-Test Program

New York Times Service

NEW YORK — Two Wall Street firms have begun new drug-testing programs for employees, apparently becoming the first brokerages to check not just incoming, but current employees for use of illegal drugs.

Officials of Kidder, Peabody & Co. and Smith Barney, Harris Upham & Co. said Monday that the firms had instituted the new policies recently.

Kidder started its new program last month by having all of its management committee members take urine tests. Smith Barney sent out a memo on July 17 warning employees that they could be asked to take tests if they are suspected of using illegal drugs.

BPCC Considers Possible Offer For Philip Hill Investment Trust

Reuters

LONDON — British Printing & Communication Corp., the British publishing concern, said Tuesday that it was holding discussions with Philip Hill Investment Trust PLC on a possible offer for the company. Shares in both companies were suspended earlier in the day.

BPCC said Monday it was considering an offer for a major but unspecified U.S. printing and publishing company.

AMEX Highs-Lows

NEW HIGHS 22

ATT Fd, ConfedSv s, ForestCty B, Medig s, PGE 225efL, ValleyRsc, AmTrEx scre, CrossAT, Hofm Ind, Media pf, Presidio pf, WiscPL pf, Brascan s, Excelind, Ithrmk pf, PGE 257ofW, SDie 440pf, Comco, FstCono SB, Levitt, PGE 254ofT, SDie 984pf

NEW LOWS 9

Americore n, HMG Propty, SwstRlty, BigV Sup, MotthWrt n, Cubic, Pearls Tube, ESD, Seaport pf

Tunisia Devalues Dinar by 10%

Reuters

TUNIS — Tunisia, citing the effects of falling oil prices, said Tuesday that it was devaluing its dinar by 10 percent. Prime Minister Rachid Sfar told Parliament that the devaluation would be against the dollar and other main currencies affecting Tunisia's imports. The dinar had previously traded at 0.78 to the dollar. The new rate was not announced.

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 19 August 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (i) - irregularly.

AL MAL MANAGEMENT
-(w) Al-Mal Trust, S.A. $ 243.10
BANK JULIUS BAER & CO. Ltd.
-(d) Baerbond SF 909.78
-(d) Conbar SF 1439.00
-(d) Equibaer America $ 1290.80
-(d) Equibaer Europe SF 1567.00
-(d) Equibaer Pacific SF 1429.00
-(d) Grobar SF 1135.00
-(d) Stockbar SF 1837.00
BAII MULTICURRENCY
-(r) Multicurrency US$ $ 1,102.28
-(r) Multicurrency Ecu ECU 1,077.85
-(r) Multicurrency Yen YEN 205,405.00
BNP INTERFUNDS
-(w) Interbond Fund $ 167.43
-(w) Intercurrency US$ $ 10.56
-(w) Intercurrency DM DM 30.44
-(w) Intercurrency Sterling £ 10.10
-(w) Interequity Pacific Offer $ 17.42
-(w) Interequity N. Amer. Offer $ 10.99
BANQUE INDOSUEZ
-(d) Asian Growth Fund $ 18.23
-(w) Diverbond SF 87.65
-(w) FIF-America $ 19.68
-(w) FIF-Europe $ 24.39
-(w) FIF-International $ 15.56
-(w) FIF-Pacific $ 29.61
-(w) Indosuez Multibonds A $ 132.63
-(w) Indosuez Multibonds B $ 231.47
-(d) Indosuez USD (M.M.F) $ 1089.94
-(w) IPNA-3 $
BRITANNIA, POB 271, St. Helier, Jersey
-(w) Brit.Dollar Income $ 0.915
-(w) Brit.$ Manag.Curr. $ 12.42
-(d) Brit. Intl.$ Manag.Portf. $ 1.553
-(d) Brit. Intl.£ Manag.Portf. £ 155.1
-(w) Brit. Am. Inc. & Fd Ltd. $ 1.221
-(w) Brit.Gold Fund $ 0.684
-(w) Brit.Manag.Currency £ 17.04
-(d) Brit. Japan Dir Perf. Fd. $ 2.496
-(w) Brit.Jersey Gilt Fund £ 0.225
-(d) Brit. Okasan Glob.$ $ 12.05
-(d) Brit. World Leis. Fund $ 1.542
-(d) Brit. World Techn. Fund $ 0.923
BROADGATE INTERNATIONAL FUND
-(d) $ Money Market $ 10.53
-(d) Non-$ Money Market DM 25.97
-(w) $ Bond $ 11.14
-(w) Non-$ Bond DM 27.47
-(w) Global Equity $ 12.63
-(w) Global Bond $ 10.27
-(w) Global Bond & Equity $ 10.30
CAPITAL INTERNATIONAL
-(w) Capital Int'l Fund $ 61.44
-(w) Capital Italia SA $ 32.69
CITICORP INVESTMENT BANK (Lux.)
POB 1373 Luxembourg Tel. 477.95.71
(d) Citinvest Ecu ECU 1101.89
(d) Citinvest Liquidity $ 1063.23
(d) Citinvest Manag. Growth $ 1036.32
CREDIT SUISSE (ISSUE PRICES)
-(d) Actions Suisses SF 492.50
-(d/s15u) Bond Valor Swf SF 109.80
-(d) Bond Valor D-mark DM 114.14
-(d) Bond Valor US-DOLLAR $ 128.89
-(d) Bond Valor £ Sterling £ 108.55
-(d) Bond Valor Yen Yen 11,058.00
-(d) Convert Valor Swf SF 140.95
-(d) Convert Valor US-DOLLAR $ 153.33
-(d) Canasec SF 548.00
-(d) CS Fonds-Bonds SF 78.75
-(d) CS Fonds-Int'l SF 124.75
-(d) CS Gold Valor $ 100.67
-(d) CS Money Market Fund $ 1159.95
-(d) CS Money Market Fund DM 1073.56
-(d) CS Money Market Fund £ 1126.33
-(d) CS Money Market Fd Yen Y 103864.00
-(d) Energie-Valor SF 147.00
-(fs15u) Ussec SF 778.00
-(d) Europa-Valor SF 191.75
-(d) Pacific-Valor SF 199.50
DREXEL BURNHAM LAMBERT INC
Winchester House, 77 London Wall
LONDON EC2 (01 9207797)
-(w) Finsbury Grou Ltd. $ 146.21
-(m) Winchester Diversified $ 23.04
-(m) Winchester Financial Ltd. $ 8.49
-(m) Winchester Frontier $ 146.11
-(m) Winchester Holdings FF 115.02
$ 13.00
-(m) Winchester Recovery Ltd. $ 107.68
-(w) Worldwide Securities $ 68.83
-(w) Worldwide Special $ 2531.97
DIT INVESTMENT FFM
-+(d) Concentra DM 39.51
-+(d) Int'l Rentenfond DM 82.67
EBC TRUST CO.(JERSEY) LTD.
1-3 Seale St., St. Helier (0534-36331)
TRADED CURRENCY FUND.
@(d) Inc.: Bid $ 13.38 Offer $ 13.719
@(d) Ca.: Bid $ 13.77 Offer $ 16.274
INTERNATIONAL INCOME FUND
-(d) Short Term 'A' (Accum) $ 1.5371
-(d) Short Term 'A' (Distr) $ 1.0005
-(d) Short Term 'B' (Accum) $ 1.4979
-(d) Short Term 'B' (Distr) $ 1.0766
-(w) Long Term $ 29.17
F&C MGMT. LTD. INV. ADVISERS
1, Laurence Pountry Hill, EC4. 01-623-4680
-(w) F&C Atlantic $ 14.71
-(w) F&C European $ 27.16
-(w) F&C Oriental $ 49.21
FIDELITY POB 670, Hamilton Bermuda
-(m) Fid. Amer. Val.II Com. $ 57.46
-(m) Fid. Amer. Val.III Cum.Pref. $ 102.26
-(m) Fid. Amer. Val.III Com. $ 18.91
-(m) Fid. Amer. Val.III Cum Pref. $ 102.45
-(d) Fidelity Amer. Assets $ 99.44
-(d) Fidelity Australia Fund $ 13.12
-(d) Fidelity Discovery Fund $ 12.45
-(d) Fidelity Dir. Svgs.Tr. $ 134.57
-(d) Fidelity Far East Fund $ 45.62
-(d) Fidelity Int'l. Fund S/S $ 12.11
-(d) Fidelity Orient Fund $ 64.42
-(d) Fidelity Frontier Fund $ 17.78
-(d) Fidelity Pacific Fund $ 248.57
-(d) Fidelity Spcl. Growth Fd. $ 25.51
-(d) Fidelity World Fund $ 55.72
FORBES PO 887 GRAND CAYMAN
London Agent 01-839-3013
-(w) Dollar Income $ 7.40
-(w) Forbes High Inc. Gilt Fd. £ 94.20
-(w) Gold Income $ 9.40
-(w) Gold Appreciation $ 5.57
-(m) Strategic Trading $ 1.27
GEFINOR FUNDS.
-(w) East Investment Fund $ 701.44
-(w) Scottish World Fund £ 188.27
-(w) State St. American $ 196.85
London: 01-4914230, Geneva: 41-22355530
GLOBAL ASSET MANAGEMENT CORP.
PB 119, St Peter Port, Guernsey, 0481-28715
-(w) FuturGAM S.A. $ 130.38
-(w) GAM Arbitrage Inc. $ 181.71
-(w) GAMerica Inc. $ 207.32
-(w) GAM Australia Inc. $ 119.62
-(w) GAM Boston Inc. $ 142.26
-(w) GAM Ermitage $ 20.79
-(w) GAM Ermitage Int. Inc. $ 10.48
-(w) GAM Franc-val SF 150.58
-(w) GAM France Inc Fr 989.72
-(w) GAM Global Fund $ 106.46
-(w) GAM Hong Kong Inc. $ 108.65
-(w) GAM International Inc. $ 200.10
-(w) GAM Japan Inc. $ 232.78
-(w) GAM North America Inc. $ 147.26
-(w) GAM N.Am. Unit Trust Inc. 125.55 p
-(w) GAM N.Am. Unit Trust Accum. 130.40 p
-(w) GAM Pacific Inc. $ 260.68
-(w) GAM Pens. & Char. Worldw. 155.10 p
-(w) GAM Pens. & Char. U.K. Fd. 130.40 p
-(w) GAMrint $ 127.34
-(w) GAM Singapore/Malay Inc. $ 93.44
-(w) GAM Sterl & Intl Unit Trust 221.60
-(w) GAM Tyche S.A. Class A $ 154.16
-(w) GAMtrends Inc. $ 114.11
-(w) GAM U.S. Inc. $ 101.72
-(w) GAMut Inc. $ 105.38
-(w) GAM Worldwide Inc. $ 279.46
-(w) GSAM Composite Inc. $ 131.49
-(w) GSAM Int. Inc. U.S Ord. $ 122.53
-(w) GSAM Interest Inc. U.S Spe. $ 112.51
-(w) GSAM Interest Inc. SF 105.46
-(w) GSAM Interest Inc. Yen 10,675
-(w) GSAM Interest Inc. DM 105.66
-(w) GSAM Interest Inc. £ 111.33
-(w) GSAM Interest Inc. Fr 1,025.46
G.T. MANAGEMENT (UK) Ltd.
-(d) G.T. Berry Japan Fund $ 23.11
-(r) G.T. Applied Science $ 15.47
-(w) G.T. Asean H.K. Gwth.Fd. $ 16.09
-(d) G.T. Asia Fund $ 8.30
-(d) G.T. Australia Fund $ 23.77
-(d) G.T. Europe Fund $ 22.58
-(w) G.T. Euro. Small Cos. Fund $ 24.75
-(r) G.T. Dollar Fund $ 19.37
-(d) G.T. Bond Fund $ 15.73
-(d) G.T. Global Technology Fd. $ 16.48
-(d) G.T. Honshu Pathfinder $ 39.21
-(d) G.T. Investment Fund $ 32.37
-(w) G.T. Japan Sml Co.Fd $ 82.44
-(r) G.T. Technology Fund $ 25.96
-(d) G.T. South China Fund $ 17.87
HILL SAMUEL INVEST. MGMT. INTL S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
-(d) Crossbow (For East) SF 12.45
-(d) CSF (Balanced) SF 27.87
-(d) European Equity Fund DM 15.74
-(d) Intnl. Bond Fund $ 11.66
-(d) Int. Currency U.S. $ 28.19
-(d) ITF Fd (Technology) $ 17.57
-(d) O'Seas Fd (N. AMERICA) $ 38.08
JARDINE FLEMING, POB 70 GPO Hg Kg
-(r) J.F Currency&Bond $ 17.67
-(r) J.F Hong Kong Trust $ 43.85
-(r) J.F Pacific Income Trust Y 54.78
-(r) J.F Japan Trust Y 7774
-(r) J.F Japan Technology Y 25,449
-(r) J.F Pacific Sec.S.(Acc) $ 18.00
LLOYDS BANK PLC, POB 438, Geneva 11
-+(w) Lloyds Int'l Dollar $ 121.00
-+(w) Lloyds Int'l Europe SF 143.60
-+(w) Lloyds Int'l Growth SF 186.50
-+(w) Lloyds Int'l Income SF 298.00
-+(w) Lloyds Int'l N. America $ 125.25
-+(w) Lloyds Int'l Pacific SF 165.00
-+(w) Lloyds Int'l. Smaller Cos. $ 16.37
NIMARBEN
-(d) Class A $ 107.46
-(w) Class C - Japan $ 154.67
OBLIFLEX LIMITED
-(w) Multicurrency $ 16.47
-(w) Dollar Medium Term $ 12.90
-(w) Dollar Long Term $ 14.03
-(w) Japanese Yen $ 19.67
-(w) Pound Sterling $ 12.22
-(w) Deutsche Mark DM 11.79
-(w) Dutch Florin FL 11.58
-(w) Swiss Franc SF 10.61
-(w) Swiss Multicurrency SF 18.64
-(w) European Currency ECU 11.54
-(d) Belgian Franc BF 104.02
-(w) French Franc SF 8.83
ORANGE NASSAU GROUP
PB 85578, The Hague (070) 469670
-(d) Bever Beleggingen++ $ 33.70
PARISBAS-GROUP
-(d) Cortexa International $ 108.72
-(d) ECUPAR ECU 1136.73
-(d) OBLI-DM DM 1258.12
-(w) OBLIGESTION SF 95.00
-(w) OBLI-DOLLAR $ 1273.43
-(w) OBLI-YEN Y 107,313
-(w) OBLI-GULDEN FL 1127.88
-(d) PAROIL-FUND $ 91.21
-(d) PAREUROPE GROWTH $ 17.40
-(d) PARINTER FUND $ 179.86
-(d) PARINTER BOND FUND $ 12.84
-(d) PAR US Treas. Bond 'Cl. B' $ 135.77
PUTNAM
-(d) Emerging Hlth Sc. Trust $ 13.86
-(w) Putnam Em. Info. Sc. Tr. $ 9.51
-(d) Putnam Int'l Fund $ 186.78
ROYAL B. CANADA, POB 246 GUERNSEY
-+(w) RBC Canadian Fund Ltd. $ 13.73
-+(w) RBC Far East&Pacific Fd. $ 22.75
-+(w) RBC Int'l Capital Fd. $ 37.48
-+(w) RBC Int'l Income Fd. $ 13.19
-+(d) RBC Mon.Currency Fd. $ 31.53
-+(w) RBC North Amer. Fd. $ 13.73
SKANDIFOND INT'L FUND (46-8-236270)
-(w) Intl Inc.Fd: Bid.$ 9.27 Offer.$ 9.80
-(w) Intl Acc.Fd: Bid.$ 9.41 Offer.$ 10.04
-(w) Inc. Bond Fd. Bid $6.50 Offer 36.77
-(w) Acc. Bond Fd. Bid $6.50 Offer 34.76
-(w) Far East Fd. Bid $ 1.02 Offer 31.08
SVENSKA INTERNATIONAL LTD.
17 Devonshire Sq., London-01-377-8040
-(r) SHB Bond Fund $ 30.32
-(w) SHB Intl Growth Fund $ 40.68
SWISS BANK CORP. (ISSUE PRICES)
-(d) America-Valor SF 435.50
-(d) Dollar Bond Selection $ 144.93
-(d) D-Mark Bond Selection DM 123.21
-(d) Florin Bond Selection FL 127.64
-(d) Intervalor SF 84.25
-(d) Japan Portfolio SF 1556.75
-(d) Sterling Bond Selection £ 111.08
-(d) Swiss Foreign Bond Sel. SF 111.86
-(d) Swissvalor New Series SF 409.50
-(d) Universal Bond Select. SF 78.50
-(d) Universal Fund SF 122.01
-(d) Yen Bond Selection Y 11289.00
THORNTON MANAGEMENT LTD
(d) The Establishment Trust $ 1.51
(d) Thornton Australia Fd Ltd. $ 11.98
(d) Thornton HK & China $ 11.22
(d) Thornton Japan Fund Ltd. $ 19.20
(d) Thornton Orient.Inc. Fd Ltd $ 15.11
(d) Thornton Phil. Redev. Fd. $ 13.43
(d) Thornton Tiger Fund Ltd. $ 12.25
(d) Thornton Pacific Tech. Fd Ltd $ 10.46
UNION BANK OF SWITZERLAND
-(d) Bond-Invest SF 64.25
-(d) DM-Invest bonds DM 222.80
-(d) ESPAC Spanish sh. SFr 136.00
-(d) Fonsa Swiss Sh. SFr 192.50
-(d) Francit French Sh. SFr 192.00
-(d) Germac German Sh. SFr 271.50
-(d) Globinvest sh. SFr 110.00
-(d) SFr-Invest bonds SFr 208.00
-(d) Sima (stock price) SF 217.50
-(d) Yen-invest bonds SFr 949.00
UNION INVESTMENT Frankfurt
-(d) Unirenta DM 41.90
-(d) Unifonds DM 34.40
-(d) Unirak DM 89.00
-(d) UNIZINS DM 117.85

Other Funds
(w) Actibonds Investments Fund. $ 33.76
(w) Acticroissance $ 108.93
( ) Actifinance Intl. $ 994.64
(w) Activest Intl. $ 14.02
(w) Aquila International Fund $ 266.01
(r) Arab Finance I.F. $ 1022.44
(r) Ariane $ 2534.13
(d) Asia Pac. Growth Fd N.V. $ 28.05
( ) Australia Fund $ 8.81
(b) Blue Saudi Bond Fund $ 103.02
(w) Bondselex-Issue Pr. SF 130.58
(w) Catlander Emer. Gr. $ 88.68
(m) Canada Gld-Mortgage Fd. $ 10.32
(w) Citadel Fund $ 1.82
(w) Citirust US $ Equities $ 179.81
(m) Cleveland Offshore Fd. $ 2693.59
(w) Columbia Securities FL 108.27
(r) COMETE $ 983.71
(w) Convert. Fd. Int'l A Certs $ 16.55
(w) Convert. Fd. Int'l B Certs $ 49.50
(w) Cumber Intl N.V. $ 190.88
(w) Daiwa Japan Fund Y 13,164
(w) D.G.C. $ 137.33
-(d) Dollar-Baer bond Fd $ 1198.00
-(d) D-mark-Baer Bond Fd DM 1092.00
-(d) D. Witter Wld Wide Ivt Tst $ 32.16
(r) Drakkar Invest.Fund N.V. $ 1426.96
(d) Dreyfus America Fund $ 12.98
(d) Dreyfus Fund Int'l. $ 48.05
(d) Dreyfus Intercontinent $ 48.42
(w) ECU Multiplacement Ecu 1019.05
(d) Europe Obligations Ecu 70.78
(d) Esprit Sicav SECU 1805.34
(w) First Eagle Fund $ 20,598.51
(r) Fifty Stars Ltd. $ 1125.74
(w) F.I.T. FUND FF FF 98.43
(w) Fonselex Issue Pr. SF 201.35
(w) Forexfund $ 9.17
(w) Formula Selection Fd. SF 80.25
(d) Fonditalia $ 74.32
-(d) Frankl-Trust Interzins DM 45.45
(w) George V INV. BOND F. $ 15.92
(d) Governm. Sec. Fund $ 82.60
(w) Hausmann Hldgs. N.V. $ 193.29
(w) Health 2000 Ltd. $ 9.69
(w) Hestia Funds $ 138.71
(w) Horizon Fund $ 1781.23
(m) IBEX Holdings Ltd. SF 143.80
(r) ILA-IGB (31/07) $ 9.53
(r) ILA-IGS (31/07) $ 10.38
(m) IncAmerica N.V. $ 18.79
(w) Interecu Fund ECU 1,018.32
(d) Interfund SA $ 35.80
(w) Intermarket Fund $ 313.33
(r) Int'l Securities Fund $ 24.57
(d) Investa DWS DM 70.09
(r) Invest Atlantiques $ 15.50
(r) Italfortune Int'l Fund SA $ 42.06
(w) Japan Selection Fund $ 201.41
(w) Japan Pacific Fund $ 243.96
(m) Jeffer Ptns. Intl. Ltd. $ 10,608.42
(d) Kleinwort Benson Int'l Fd. $ 27.60
(w) Kleinwort Bens. Jap. Fd. $ 181.00
(d) Korea Growth Trust KW 14,538.18
$ 16.41
(w) Leverage Cap Hold. $ 126.74
(d) Liquibaer $ 1446.00
(w) Luxfund $ 126.56
(r) Mediolanum Sel. Fd. $ 40.28
(r) Meteore Y 135,425.00
(r) Nikko Growth Package Fd. $ 14297.41
(w) Nippon Fund $ 72.47
(r) NM Income & Growth Fund $ 12.48
(m) NOSTEC Portfolio $ 7740.38
(d) NSP F.I.T. $ 214.47
(d) OPPORTUNITES FUND $ 1075.48
(d) Pacific Horizon Invt. Fd. $ 1962.54
(w) PANCURRI Inc. $ 42.19
(m) Permal Spec. Opp. $ 1201.81
(r) Permal Value N.V. $ 1425.31
(r) Pleiades $ 1424.52
(r) Prirap fund DM 50.78
(r) Pri-Tech $ 997.59
(w) Quantum Fund N.V. $ 10,315.77
(d) Renta Fund LF 2854.80
(d) Rentinvest LF 1165.30
(d) Reserve Insured Deposits $ 1174.20
(w) Rudolf Wolff Fut Fd Ltd. $ 294.75
(w) Samurai Portfolio SF 191.80
(d) SCI/Tech. SA Luxembourg $ 13.50
(w) Seven Arrows Fund N.V. $ 884.02
(w) Strategy Investment Fund $ 28.48
(w) Target Fund $ 913.00
(w) Techno Growth Fund SP 75.06
(w) Tokyo Pac. Hold. (Sea) $ 140.94
(w) Tokyo Pac. Hold. N.V. $ 191.39
(w) Transpacific Fund $ 187.55
(w) Trans Europe Fund Fl 59.26
(d) Turquoise Fund $ 152.51
(w) Tweedy,Browne n.v.ClassA $ 2516.79
(w) Tweedy,Browne n.v.ClassB $ 1450.30
(m) Tweedy,Browne (U.K.) n.v. $ 1074.04
(d) UNICO Fund DM 78.20
(d) UNI Bond Fund $ 1398.16
(r) UNI Capital Fund $ 1339.50
(d) Univers Bonds Dm 121.90
(d) US Federal Securities $ 11.14
(w) Vanderbilt Assets $ 13.45
(w) Willerbond Capital $ 12.95
(d) World Fund S.A. $ 19.19

DM - Deutsche Mark; BF - Belgium Francs; FL - Dutch Florin; LF - Luxembourg Francs; ECU - European Currency Unit; SF - Swiss Francs; a - asked; + - Offer Prices; b - bid change P/V $10 to $1 per unit; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; *** - Gross Performance Index December; • - Redempt- Price- Ex-Coupon; ** - Formerly Worldwide Fund Ltd; @ - Offer Price incl. 3% prelim. charge; ++ - daily stock price as on Amsterdam Stock Exchange

Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 613595F for further information.

Floating-Rate Notes

Aug. 19

Dollars

Pounds Sterling

Deutsche Marks

E.C.U.

Japanese Yen

Source: Credit Suisse-First Boston Ltd., London

Asia Pacific Growth Fund

Weekly net asset value on 15-8-1986 US $28.05

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V. Herengracht 214, 1016 BS Amsterdam.

When in Washington, D.C. meet me at Blackie's House of Beef

Adjacent to the Washington Marriott. OUR 40th YEAR.

هولندا عن الأصل

CURRENCY MARKETS

Dollar Tumbles on U.S. GNP Report

Compiled by Our Staff From Dispatches

NEW YORK — The dollar plunged to historic lows in U.S. trading Tuesday on news of a sharp downward revision in U.S. economic data for the second quarter. Dealers said the steepness of the dollar's slide, which came despite reported Fed intervention, suggested that the currency's immediate course was now charted.

"The dollar's direction is now unambiguously downward," said Lawrence Kreicher, international economist at Irving Trust Co.

In New York, the dollar fell nearly 2 yen from Monday's close, to a record low of 152.75, and nearly 3 pfennigs, to a 5½-year low of 2.0465.

It also fell to 6.6715 French francs from 6.7435 and to 1.6513 Swiss francs from 1.6735. The British pound gained 1½ cents, to $1.5060 from $1.4900.

Dealer said that selling began after the U.S. Commerce Department revised second-quarter GNP growth to an annual rate of just 0.6 percent, sharply below most market expectations. U.S. interest rates also edged lower on the news.

"Today's GNP number just reinforces our bearish feelings on the dollar," one dealer said.

Dealers said the plunge, which came late in the afternoon, prompted intervention by the Fed to support the dollar, thought to be the first such intervention in weeks.

"The market remains cautious over the possibility of a discount rate cut," a New York dealer said. "But the Fed's presence also has made dealers afraid of a concerted central bank intervention."

Meanwhile, London dealers said that sentiment appeared to have changed in favor of the British pound following expectations of more stability in oil prices and after the release of figures on Monday showing lower-than-expected government borrowing.

The currency gained both against the dollar and most continental currencies in London, although pound interest rates moved lower. It closed in London at $1.5025, up from $1.4935 there Tuesday, and at 3.0890 DM, down slightly from 3.0903.

In other markets, meanwhile, the dollar was fixed at midday in Frankfurt at 2.0705 DM, up from 2.0628 at the Monday fixing, and closed in Zurich at 1.6625 Swiss francs, down from 1.6670.

In Paris, the French franc continued weaker against the mark within the European Monetary System, prompting speculation that the French monetary authorities might intervene to support the currency.

The mark, which broke through its EMS pivotal rate against the franc on Monday, was quoted in late trading Tuesday at 3.2565 francs, up from its record fix of 3.2558. Dealers said the mark reached highs of around 3.2585 during the afternoon.

Elsewhere, the Australian dollar rallied sharply after the federal treasurer, Paul Keating, forecast a 3.5-billion-dollar budget deficit for the 1986-87 fiscal year, but it fell back soon afterwards.

The Australian currency was trading at about 63.15 U.S. cents when the announcement came, but shot up in minutes to a high of 64.20. It fell back in later trading to close at its original levels after markets reassessed the impact of the new budget. *(Reuters, UPI)*

London Dollar Rates

Closing	Tue.	Mon.
Deutsche mark	2.0530	2.0700
Pound sterling	1.5025	1.4935
Japanese yen	153.40	154.15
Swiss franc	1.6609	1.6750
French franc	6.6944	6.7325

Source : Reuters

THE EUROMARKETS

U.S. GNP Report Boosts Dollar-Straight Sector

By Christopher Pizzey
Reuters

LONDON — The U.S. dollar-straight sector ended ¼ to ⅜ point higher Tuesday in response to strong gains on the U.S. credit markets, dealers said. However, new-issue activity was dull.

The gains followed news that growth in the U.S. second-quarter gross national product, on an annual basis, was revised down to 0.6 percent from the initial report of 1.1 percent. This was a larger downward revision than the market had expected and immediately led to speculation that the current meeting of the Federal Open Market Committee would favor an imminent cut in the discount rate.

Meanwhile, the Australian-dollar sector was boosted by news that the Australian federal budget deficit was to be cut to 3.5 billion dollars in fiscal year 1986-87 from the 1985-86 level of 5.73 billion dollars.

Prices generally rose by about ¼ to ½ point, with dealers welcoming what appeared to be a significant toughening of its fiscal stance by the Australian government.

Despite the buoyant mood in the U.S. dollar sector, no new issues had emerged by the end of usual trading. One syndicate manager said: "There's enough unsold paper lying around without people adding to it."

The manager added that in spite of the gains in the secondary market, "People are being wise and not bringing new issues. But we're in the sort of market where it could all be spoiled tomorrow by a huge rush of tightly priced issues."

A senior trader at a U.S. securities house expressed surprise at the lack of new bonds. "I'm sure the guys in our syndicate department are rushing around trying to put *new deals together.*"

Separately, a syndicate department official at the same house said: "The rise in the secondary market caught us a bit on the hop. Perhaps we'll see more activity tomorrow."

Two new issues were launched in London.

A 10-billion-yen bond for Kawasaki Steel Corp. introduced a novel twist into the recently introduced reverse-floating-rate-note concept.

The par-priced, 10-year issue pays an initial coupon that will rise if the six-month yen London interbank offered rate falls. But, after five years, it reverts to paying a fixed coupon of 8 percent. The lead *manager for the issue, which did* not trade widely, was Nomura International Ltd.

France's Crédit Chimique issued a $50-million floater through Morgan Stanley International.

The 10-year note issue pays six-month Libor with no margin and is callable after five years. Because of its small size it was not trading widely on the market.

The secondary market in floating-rate notes was also firmer on prospects of lower U.S. interest rates, with gains of five to seven basis points noted in perpetual issues with long coupon runs, dealers noted.

Sterling-straight issues advanced, although dealers said retail interest was still almost totally absent from this sector.

STUTTGART: *Late-Night Shopping Breakthrough Seen Boosting Sales*

(Continued from first finance page)

2:30 P.M. on Saturday, and not reopen until 8 A.M. Monday.

Critics like Mr. Steinmann say the laws crimp consumer spending and stifle the creation of new jobs. Some business groups, like hotel owners, add that they kill the inner cities on weekends, further hurting business.

"We're in steep competition with other service industries," Mr. Steinmann said.

"We've got to learn to compete," he said. "Don't forget that the law doesn't say when you can stay open; it tells you when you've got to close. Any imaginative businessman rejects that."

The Stuttgart storeowners found a loophole in the law that says *stores can stay open late if it is* necessary for public order.

They argued successfully to Stuttgart's Lord Mayor, Manfred Rommel, the son of the legendary World War II Desert Fox, that the attractive Klett Passage, a brightly lit shopping mall sandwiched underground beneath Stuttgart's art nouveau train station and a lower level of subways, would soon be filled with loiterers and trouble-makers if the stores were not permitted to stay open late.

Last month, the federal government followed the Stuttgart example and passed a law that makes it possible for shopkeepers near the train stations of large cities throughout West Germany to do likewise.

But the government's resort to such legal acrobatics only illustrates the bitter resistance to change, which has centered in a curious coalition of forces. These range from labor unions, which say looser regulations will allow shopkeepers to exploit their personnel, to storeowners, who say the added hours will merely increase their expenses, not revenues.

For aggressive entrepreneurs like Mr. Steinmann, the resistance says a lot about some West German businesspeople's fear of competition.

"People get comfortable if they *don't have to work for a living,*" Mr. Steinmann said. "And for decades the German retail trade earned its money without having to reflect on where it came from. People got used to a pot of gold without any effort. Well, Sleeping Beauty's nap is over."

Business owners like Mr. Steinmann can point to a sheaf of surveys showing that West German consumers prefer longer opening hours, which they say will make shopping more relaxed and less hectic.

A canvass of 11,500 people by the West German Junior of Commerce earlier this year, for instance, showed that 82 percent were in favor of longer shopping hours and 70 percent said they would even make do with only one longer evening, say until 10, each week.

But consumer organizations, traditionally weak in West Germany's paternalistic welfare system, have been powerless to effect change.

Economists, too, are divided over the possible effects on retail sales.

Rudiger Soltwedel, an economist at the Kiel Institute, said studies done in Britain and Sweden suggested that longer hours would mean more purchasing.

But Ute Geipel, chief economist at Citicorp's Citibank unit in Frankfurt, who has studied the problem, said the effect might at best be secondary.

"Consumer spending usually depends on incomes and saving quotas," she said, "but if liberalization meant the creation of more jobs, that would mean growing incomes and more spending."

Whatever the effect, Mr. Kohl's traditionally pro-business coalition of conservative Christian Democrats and Free Democrats has been loathe to push too hard for change. The coalition depends heavily on the votes of owners of small businesses, including storekeepers, and the financial backing of large department store chains, and seeks to woo labor unions away from their traditional allies, the opposition Social Democrats.

Labor union officials say they will continue to dig in their heels.

The only party pushing for change is the small Free Democratic party. Last month, the government pushed the Free Democrat-inspired law through the Bundestag that allows duplication of the Stuttgart experiment throughout West Germany.

MANAGER: *Helping Youth*

(Continued from first finance page)

insurance group. Launched in March 1985, the center has helped 150 young people start their own companies.

Livewire, started by Shell U.K. Ltd. and administered by the Youth Enterprise Center, aims to attract young people with good ideas but no specific business plan. Livewire assigns an adviser to each young person to form a plan, which is accepted or rejected at the end of three months. In 1985-1986, 3,500 young people enrolled, and 800 have started their own business.

Shell has invested £300,000 in the program so far and provides a £500,000 fund for loans.

"£1,000 to £5,000 is very high *risk money for banks,*" said Henry Durose, manager of Shell Enterprise Unit, which sponsors several youth programs, including Livewire. "But it is often the difference between making it or not."

Other programs, such as the Graduate Enterprise Program, sponsored by British Petroleum, National Westminster Bank PLC, Arthur Andersen & Co., an international accounting firm, and the British Institute of Management, are aimed specifically at university graduates.

Parts two and three of this series will appear on the next two Wednesdays.

BUSINESS PEOPLE

Standard Chartered Names 4 New Directors

Reuters

LONDON — Standard Chartered PLC said Tuesday that it had appointed four new directors, including a Hong Kong businessman, Sir Yue-Kong Pao, who will also be deputy chairman.

Sir Yue-Kong is chairman of Worldwide Shipping Group and Hongkong & Kowloon Wharf & Godown Co.

The other new directors are the Australian businessman, Robert Holmes á Court, chairman of Bell Group Ltd., Tan Sri Khoo Teck Puat, chairman of the Goodwood Group, based in Singapore, and Peter Woo, deputy chairman and managing director of Hongkong & Kowloon Wharf.

Industry sources said the appointments had resulted from the last-minute steps taken unexpectedly by Sir Yue-Kong, Mr. Holmes à Court and Mr. Khoo to prevent Standard Chartered from being taken over by Lloyds Bank PLC earlier this summer.

The three investors bought enough shares, in the form of minority stakes, to block the bid. The Lloyds approach had been fiercely resisted by the Standard Chartered board, although it was only at the end of the takeover battle that these Far East supporters showed that they could determine the outcome.

Sir Yue-Kong took an almost 15-percent stake in Standard Chartered, Mr. Khoo 5.3 percent and Mr. Holmes à Court 6.4 percent.

Compiled by Our Staff From Dispatches

RJR Nabisco Inc. said F. Ross Johnson, president of RJR Nabisco Inc., has been named chief executive, effective in January. He will succeed J. Tylee Wilson, who will continue as chairman until his retirement in January 1988.

Mr. Wilson's intention to resign surprised analysts. He is 55 years old, and Mr. Johnson is 54.

Mr. Wilson said that he had been contemplating early retirement for several years. Ronald Sustana, a spokesman for the company, said that Mr. Wilson was in good health.

The two have worked together since June 1985, when R.J. Reynolds Industries, which Mr. Wilson then headed, bought Nabisco Brands, headed by Mr. Johnson, for $4.9 billion.

JWT Group Inc., New York, said Burt Manning, chief executive, has submitted his resignation as a director and company manager, effective Friday. Don Johnston, chairman of the advertising company, said: "Burt has never made a secret of his interest in being an entrepreneur and he now feels the time has come to pursue his ambition.

Salomon Brothers Inc., New York, said that Frank F. Beelitz will become a member of the management board for corporate finance and administration in the company's representative office in Frankfurt when it opens later this year. Mr. Beelitz, 42, worked for Morgan Guaranty Trust Co. in New York and Frankfurt for 10 years, most recently as a senior member of the mergers and acquisitions department.

(IHT, NYT, Reuters)

Highs-Lows

NEW HIGHS 22
Brossers Exceline Wtmrk pf PGE 257pfW PGE 8pf 50¾e 44pf
Comc Fstpnt ESD Sscorp

NEW LOWS 6
Cable Peerls Tube

Tuesday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.
Via The Associated Press

lues Dinar by 10%

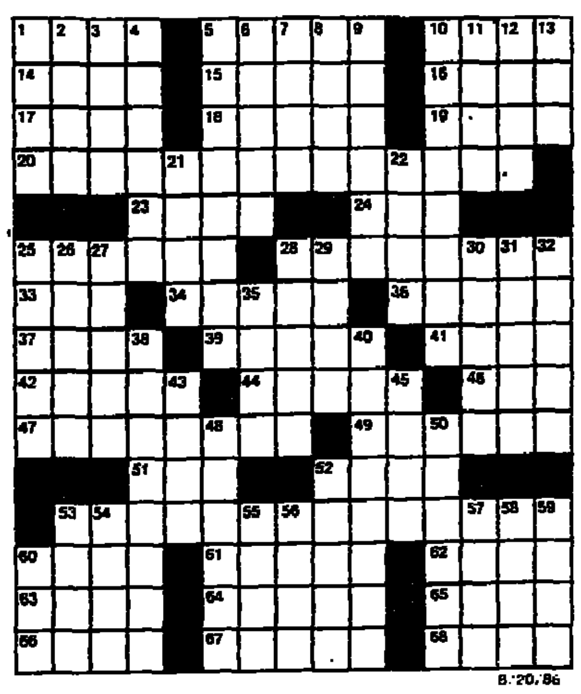
Pounds Sterling

Deutsche Marks

E.C.U.

Japanese Yen

EUROBONDS
BY CARL GEWIRTZ IN THE IHT
EVERY MONDAY, PLUS AN
EXCLUSIVE LISTING OF
2000 EUROBOND PRICES



8/20/86

ACROSS

1 What the world needs now
5 Ultimate diets
10 Aleutian island
14 Sign on seconds
15 Vamp
16 Burden
17 Football holders
18 Colorant
19 Bouffant hair style
20 Start of a tuneful lament
23 Sweet potatoes, to y'all
24 Englishman's char
25 —— Pointe, Mich.
28 Attractive people
33 —— Peter to pay Paul
34 World Court site, with "The"
36 Lifeboat crane
37 "... but deliver us from ——"
39 Jogger's cousin
41 Jules Verne hero
42 French heads
44 Carrousels, e.g.
46 Huxley's "Brave —— World"
47 Attacked
49 Puckered fabric
51 Opp. of SSW
52 Jumping place for a cow
53 End of 20 Across
60 Yield by treaty
61 Turn aside
62 Govt. group for farming
63 Rabbit or Fox
64 Washington portraitist
65 *Imitation*
66 Jacob's dozen, e.g.
67 Made a *blunder*
68 Cod's relative

DOWN

1 It gets plastered
2 Hosea, Douay version
3 Opinion
4 Attempts
5 Piscatorial fertilizer
6 Kicks in a chip
7 "To reach the unreachable ——!"
8 Svelte
9 Beethoven's "Moonlight ——"
10 Mobile man
11 Bean curd
12 Mini motorcar
13 *Foofaraw*
21 Obi
22 A real drip
25 Actress Nissen
26 Wanders
27 Final bios
28 Little archer
29 Notice carefully
30 Nothing odd about these
31 Covers with ice crystals
32 Uncle Tom's creator
35 Skirt insert
38 Namesakes of the sweetheart of 53 Down
40 Publicized
43 Chinese: Comb. form
45 "... the heart is —— to learn": Millay
48 Delaware Indian
50 Rapid entrance
52 Singer Haggard
53 A priestess of Aphrodite
54 First mates' home
55 Always
56 Get the word
57 Govt. protective agency
58 A state named for Sioux Ind.
59 15, 30, 40, ——
60 What W. S. Paley founded

© New York Times, edited by Eugene Maleska.

DENNIS THE MENACE

"JOEY WOULD LIKE THE BEACH A LOT BETTER IF IT WASN'T SO CLOSE TO THE WATER!"

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

TEYIP

WARFE

FORLEG

VITHER

WHAT THE BUS DRIVER TOLD HIM.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: TO

(Answers tomorrow)

Yesterday's | Jumbles: FILMY CRESS OUTING THWART
Answer: On a blind date he was expecting a "vision," but it turned out to be this—A "SIGHT"

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	25	77	19	66	fr
Amsterdam	16	61	13	55	sh
Athens	30	86	20	68	fr
Barcelona	30	86	20	68	fr
Belgrade	35	95	20	68	fr
Berlin	20	68	14	57	o
Brussels	14	57	13	55	r
Bucharest	33	91	14	57	fr
Budapest	29	84	19	66	cl
Copenhagen	18	64	9	48	cl
Costa Del Sol	33	91	23	73	fr
Dublin	14	57	9	48	sh
Edinburgh	14	57	10	50	sh
Florence	33	91	25	77	cl
Frankfurt	17	63	14	57	r
Geneva	22	72	14	57	sh
Helsinki	15	59	10	50	sh
Istanbul	26	79	18	64	fr
Las Palmas	25	77	21	70	fr
Lisbon	24	75	18	64	fr
London	15	59	12	54	o
Madrid	28	82	15	59	fr
Milan	26	79	17	63	cl
Moscow	19	66	14	57	sh
Munich	22	72	13	55	st
Nice	33	91	22	72	fr
Oslo	17	63	7	45	cl
Paris	17	63	15	59	cl
Prague	20	68	14	57	o
Reykjavik	13	55	7	45	fr
Rome	29	84	24	75	o
Stockholm	15	59	11	52	sh
Strasbourg	19	66	14	57	o
Venice	26	79	19	66	cl
Vienna	27	81	18	64	r
Warsaw	21	70	10	50	cl
Zurich	17	63	13	55	sh
MIDDLE EAST					
Ankara	31	88	12	54	fr
Beirut	31	88	24	75	fr
Damascus	—	—	—	—	—
Jerusalem	30	86	17	63	cl
Tel Aviv	31	88	20	68	cl
OCEANIA					
Auckland	14	57	7	45	r
Sydney	18	64	7	45	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	32	90	26	79	cl
Beijing	27	81	20	68	st
Hong Kong	31	88	26	79	fr
Manila	31	88	25	77	cl
New Delhi	35	95	26	79	cl
Seoul	30	86	21	70	cl
Shanghai	32	90	25	77	fr
Singapore	32	90	27	81	st
Taipei	34	93	26	79	cl
Tokyo	25	77	23	73	r
AFRICA					
Algiers	34	93	22	72	fr
Cairo	33	91	22	72	fr
Cape Town	16	61	10	50	o
Casablanca	25	77	19	66	cl
Harare	25	77	12	54	fr
Lagos	26	79	24	75	o
Nairobi	—	—	—	—	—
Tunis	37	98	22	72	fr
LATIN AMERICA					
Buenos Aires	—	—	—	—	—
Caracas	27	81	20	68	cl
Lima	—	—	—	—	—
Mexico City	32	90	24	75	st
Rio de Janeiro	31	88	20	68	o
NORTH AMERICA					
Anchorage	15	59	9	48	pc
Atlanta	31	88	21	70	pc
Boston	22	72	20	68	sh
Chicago	27	81	15	59	fr
Denver	35	95	17	63	fr
Detroit	27	81	15	59	fr
Honolulu	31	88	24	75	cl
Houston	37	98	24	75	pc
Los Angeles	38	100	20	68	fr
Miami	—	—	—	—	—
Minneapolis	29	84	16	61	pc
Montreal	29	84	15	59	cl
Nassau	25	77	15	59	fr
New York	27	81	20	68	cl
San Francisco	25	77	15	59	fr
Seattle	25	77	13	55	fr
Toronto	29	84	18	64	cl
Washington	29	84	18	64	pc

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

WEDNESDAY'S FORECAST — CHANNEL: Smooth. **FRANKFURT:** Cloudy. Temp. 19—10 (66—50). **LONDON:** Cloudy. Temp. 17—9 (63—48). **MADRID:** Fair. Temp. 30—14 (86—57). **NEW YORK:** Cloudy. Temp. 26—20 (79—68). **PARIS:** Fair. Temp. 20—10 (68—50). **ROME:** Cloudy. Temp. 26—22 (79—72). **TEL AVIV:** N.A. **ZURICH:** Cloudy. Temp. 18—12 (64—54). **BANGKOK:** Thunderstorms. Temp. 34—26 (93—79). **HONG KONG:** Fair. Temp. 31—27 (88—81). **MANILA:** Showers. Temp. 30—23 (86—73). **SEOUL:** Thunderstorms. Temp. 29—22 (84—72). **SINGAPORE:** Thunderstorms. Temp. 31—27 (88—81). **TOKYO:** Foggy. Temp. 25—23 (77—73).

PEANUTS

BLONDIE

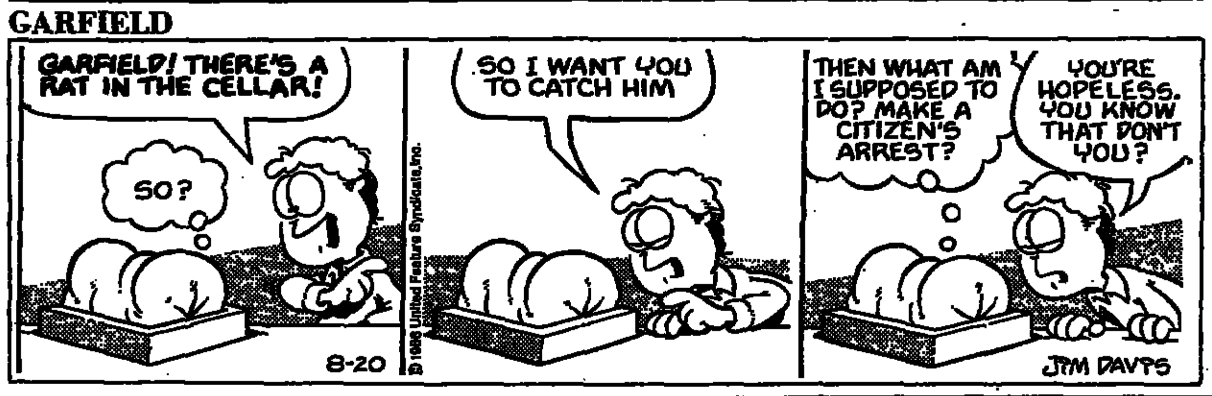
BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD



BOOKS

THE LONG WALK

By George La Fountaine. 256 pages. $17.95.
The Putnam Publishing Group Inc., 200 Madison Avenue, New York, N. Y. 10016.

Reviewed by Tom Clark

THE harrowing initial chapters of George La Fountaine's novel take place in Vietnam in 1973, some months after the release of the most American POWs. Sergeant Stanley Baker, a half-Navajo U. S. medical corpsman who is only a few days from completing his tour of duty, is busy closing down a small Medevac hospital north of Da Nang. Suddenly, on a muddy levee in the rain, three Viet Cong soldiers appear with a ghostly captive on a wire leash: a gaunt, speechless, battered human basket case, "the most miserable-looking creature" Sergeant Baker has ever seen.

Baker values "courage above all else"; the numb, half-dead prisoner's stoic acceptance of pain reminds him of some "lone survivor of the Long Walk from the Navajos' past," and he soon finds himself developing a strong bond with the silent figure who has been dropped into his care.

The prisoner, however, is not easily befriended. Informed of the man's near-legendary defiance of his Viet Cong captors and of his multiple escapes, Baker soon learns that the wary POW's stubborn resistance to captivity has survived his release. The night he enters Baker's Medevac compound, the prisoner tries to escape back into the jungle.

The rehabilitation of that man, his slow and painful journey back to some home ground of the soul, becomes a project that haunts Baker long after he is "back in the world"; it also provides the main trajectory of La Fountaine's narrative, in which this tortuous return from *the abyss of the war is staged against* the displaced Navajo nation's "Long Walk" back to its homeland in 1868. This released prisoner, we are told, is very much on a "Long Walk" of his own.

His walk takes him through a traumatic return to the United States. Lacking friends or family, he winds up in a Veterans Administration hospital, drugged, comatose and still silent.

The relationship between Baker and this man radically damaged by the United States's most demoralizing war, is presented by La Fountaine as an emblematic one. The novel's real characters are cultural values: Baker's adoption of the wary prisoner as a brother figure represents a nursing back to health of the white man's sad, crazy, spiritually displaced society by the gentle application of a saner, prior American Indian value system.

While "The Long Walk" stumbles in its last few steps, but that fall takes nothing away from the novel's first hundred pages, which contain some of the more compelling prose yet written about the consequences for the United States of its involvement in Vietnam.

Tom Clark's latest novel, "The Exile of Celine," is soon to be published by Random House. He wrote this review for the Los Angeles Times.

BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	RED STORM RISING, by Tom Clancy	2	3
2	WANDERLUST, by Danielle Steel	1	5
3	A MATTER OF HONOR, by Jeffrey Archer	3	7
4	LAST OF THE BREED, by Louis L'Amour	4	10
5	ACT OF WILL, by Barbara Taylor Bradford	5	9
6	THE BOURNE SUPREMACY, by Robert Ludlum	8	24
7	THE GARDEN OF EDEN, by Ernest Hemingway	6	12
8	THE GOOD MOTHER, by Sue Miller	11	14
9	I'LL TAKE MANHATTAN, by Judith Krantz	9	17
10	THE EIGHTH COMMANDMENT, by Lawrence Sanders	7	11
11	A PERFECT SPY, by John Le Carré	10	17
12	THE MAMMOTH HUNTERS, by Jean M. Auel	12	52
13	AN ALIEN FEAR, by L. Ron Hubbard	13	
14	SUSPECTS, by William J. Caunitz		
15	BARRIER ISLAND, by John D. MacDonald	13	9

NONFICTION

This Week		Last Week	Weeks on List
1	FATHERHOOD, by Bill Cosby	1	15
2	YOU'RE ONLY OLD ONCE! by Dr. Seuss	2	23
3	"AND SO IT GOES," by Linda Ellerbee	5	10
4	JAMES HERRIOT'S DOG STORIES, by James Herriot	4	14
5	ROCK HUDSON: His Story, by Rock Hudson and Sara Davidson	3	8
6	FORD: The Men and the Machine, by Robert Lacey	6	9
7	NECESSARY LOSSES, by Judith Viorst	8	17
8	A CAST OF KILLERS, by Sidney D. Kirkpatrick	7	5
9	WHEN ALL YOU'VE EVER WANTED ISN'T ENOUGH, by Harold S. Kushner	9	18
10	MURROW: His Life and Times, by A. M. Sperber	10	5
11	THE MAN WHO MISTOOK HIS WIFE FOR A HAT, by Oliver Sacks	11	20
12	THE UNDERGROUND EMPIRE, by James Mills	12	5
13	IN SEARCH OF THE TROJAN WAR, by Michael Wood	15	7
14	BUS 9 TO PARADISE, by Leo Buscaglia	13	27
15	A LIGHT IN THE ATTIC, by Shel Silverstein	14	170

ADVICE, HOW-TO AND MISCELLANEOUS

This Week		Last Week	Weeks on List
1	THE ROTATION DIET, by Martin Katahn		3
2	FIT FOR LIFE, by Harvey Diamond and Marilyn Diamond	2	52
3	CALLANETICS, by Callan Pinckney with Sallie Batson	3	38
4	JANE FONDA'S NEW WORKOUT & WEIGHT-LOSS PROGRAM, by Jane Fonda	4	2
5	MEDICAL MAKEOVER, by Robert M. Giller and Kathy Matthews	5	5

Solution to Previous Puzzle

M	O	W	S	■	R	A	F	E	R	■	S	H	E	■
E	M	I	T	■	E	T	A	P	E	■	P	A	R	S
O	N	L	Y	■	D	O	R	I	C	■	E	L	I	A
W	I	L	L	I	A	M	M	C	K	I	N	L	E	Y
■	■	■	E	T	C	■	■	■	O	S	T	■	■	■
C	H	A	■	S	T	U	D	E	N	T	■	A	P	O
I	O	T	A	■	O	N	E	R	■	L	O	W	E	R
G	R	O	V	E	R	C	L	E	V	E	L	A	N	D
A	N	N	E	X	■	L	I	C	E	■	D	I	C	E
R	E	E	■	T	H	E	A	T	R	E	■	T	E	R
■	■	■	A	R	L	■	■	■	I	N	G	■	■	■
T	H	O	M	A	S	J	E	F	F	E	R	S	O	N
H	A	R	E	■	S	I	N	A	I	■	A	O	N	E
E	L	A	N	■	E	V	O	K	E	■	N	U	T	S
■	E	L	S	■	R	E	W	E	D	■	T	R	O	T

8/20/86

BRIDGE

By Alan Truscott

ON the diagramed deal, from a life master pairs tournament, West defended three no-trump and made a key play at the at the second trick. When the declarer won the heart opening lead in dummy and played a club to the king he ducked smoothly. He judged, correctly, that South held the queen and hoped to deceive him about the position of the ace.

NORTH
♠ 5 4
♡ K
◇ K Q 10 9 5 4
♣ 9 7 6 3

WEST
♠ K 7
♡ Q J 8 7 5 4
◇ 8 7 3
♣ A 2

EAST
♠ J 8 6 2
♡ 10 3 2
◇ 6 2
♣ J 8 5 4

SOUTH (D)
♠ A Q 10 9 3
♡ A 9 6
◇ A J
♣ K Q 10

Neither side was vulnerable. The bidding:

South	West	North	East
2 N.T.	Pass	3 N.T	Pass
Pass	Pass		

West led the heart seven.

As planned, South went wrong in clubs. After taking his six diamond tricks he led a club to the queen, losing to the ace. West persevered in hearts, and South won in this position:

NORTH
♠ 5 4
♡ —
◇ —
♣ 9

WEST
♠ K 7
♡ J
◇ —
♣ —

EAST
♠ J 8
♡ —
◇ —
♣ J

SOUTH
♠ A Q
♡ —
◇ —
♣ 10

South exited with his club ten, hoping to score two spade tricks at the finish. West made his second tricky defensive play by unguarding his spade king, and East cooperated by winning and leading the spade jack. The declarer could now have recovered all the ground he had lost by putting up the ace. But he fell into the well-planned trap by playing the queen and West took the last two tricks. He and his partner had taken four tricks, twice as many as the defenders at most of the other tables, and collected all the match points.

World Stock Markets

Via Agence France-Presse Aug. 19

Closing prices in local currencies unless otherwise indicated.

Amsterdam

	Close	Prev.
ABN	593	606
ACF Holding	355	357.80
Aegon	104.80	104.20
Akzo	161.60	161.10
Ahold	96.70	96.10
Amev	81.50	81.50
A'Dam Rubber	10.90	10.90
Amro Bank	108.80	110
BVG	242	242
Buehrmann T	218.50	213.50
Caland Hldg	19.80	19.50
Elsevier-NDU	246	243
Fokker	81.90	79.60
Gist Brocades	54.10	54.90
Heineken	187	187
Hoogovens	77.20	78
KLM	45.10	45
Naarden	86	88.10
Nat Neder	88.50	87.70
Nedlloyd	167.50	167
NMB	220	221
Oce Vander G	516.50	516
Pakhoed	63.30	62.80
Philips	53	52.30
Robeco	94	93.80
Rodamco	133.90	133.70
Rolinco	85.70	85.30
Rorento	50.60	50.50
Royal Dutch	200.10	201.20
Unilever	510	512
Van Ommeren	38.30	37.80
VMF Stork	30.10	30.50
VNU	352.50	345.50

ANP-CBS Gen'l Index: 296.10
Previous: 296.70

Brussels

	Close	Prev.
Arbed	2550	2610
Bekaert	12000	12000
Cockerill	135	133
Cobepa	4415	4425
EBES	4820	4760
GB-Inno-BM	7990	7840
GBL	3210	3160
Soc Generale	3135	3135
Gevaert	5850	5870
Hoboken	7550	7530
Intercom	3830	3810
Kredietbank	16025	16025
Petrofina	8980	8920
Sofina	10525	10400
Solvay	7700	7660
Traction Elec	5550	5670
UCB	8500	8300
Unerg	2850	2860
Vieille Montagne	5820	5820

Current Stock Index: 3813.79
Previous: 3805.69

Frankfurt

	Close	Prev.
AEG	324	319
Allianz Vers	2570	2488
Altana	400	400
BASF	277	266.20
Bayer	301	290
Bay. Hypo bank	615	610
Bay Vereinsbank	587	564
BBC	330	328
BHF-Bank	537	539
BMW	613	586
Commerzbank	330.50	322.50
Conti Gummi	320	319
Daimler-Benz	1282	1251
Degussa	468.50	468
Deutsche Babcock	198	188
Deutsche Bank	846.50	830
Dresdner Bank	458	444.90
Harpener	310.50	315
Henkel	443	447.50
Hochtief	1200	1150
Hoechst	276	271
Hoesch	161.10	160.50
Horten	219.50	215
Hussel	615	614.50
IWKA	295	288
Kali und Salz	281.50	279.50
Karstadt	430.50	429.50
Kaufhof	525	517
Kloeckner H-D	84.50	84
Kloeckner Werke	84.50	84
Krupp Stahl	153	150
Linde	788	733
Lufthansa	212	204
MAN	240	240.50
Mannesmann	181.30	180.50
Muench Rueck	3300	3350
Nixdorf	670	660
PKI	910	886
Porsche	1090	1068
Preussag	186	185
PWA	234	221
RWE	227.50	225.50
Rheinmetall	420	408
Schering	602	598.50
SEL	385	369
Siemens	705.50	689
Thyssen	142	140
Veba	291.50	283.20
Volkswagenwerk	323.50	317
Wella	783	770

Commerzbank Index: 2079.70
Previous: 2050.20

Hong Kong

	Close	Prev.
Bk East Asia	18.30	18.40
Cathay Pacific	5.60	5.60
Cheung Kong	24.40	24.70
China Light	16.50	16.70
Green Island	8.50	8.55
Hang Seng Bank	35.25	35
Henderson	2.675	2.70
China Gas	16.10	16.30
HK Electric	9.60	9.70
HK Realty A	11.60	11.70
HK Hotels	34	34
HK Land	6.40	6.55
HK Shang Bank	7	7.05
HK Telephone	11.80	11.90
HK Yaumatei	3.225	3.25
HK Wharf	8.25	8.30
Hutch Whampoa	33.75	34.25
Hysan	0.71	0.72
Jardine	15.90	15.70
Jardine Sec	14.90	15.10
Kowloon Motor	8.70	8.80
Miramar Hotel	3.40	3.425
New World	6.85	6.90
SHK Props	14.60	14.70
Stelux	1.81	1.82
Swire Pacific A	13.90	13.90
Tai Cheung	2.15	2.175
Wing On Co	1.45	1.47
Winsor	8.15	8.05
World Int'l	2.725	2.775

Hang Seng Index: 1935.69
Previous: 1950.12

	Close	Prev
GFSA	4980	4900
Harmony	4400	4300
Hiveld Steel	680	675
Kloof	3125	3050
Nedbank	570	575
Rusplat	5250	5225
SA Brews	1310	1260
St Helena	5225	5200
Sasol	760	750
Welkom	2920	2750

Composite Stock Index: 1756.50
Previous: 1744.50

Johannesburg

	Close	Prev
AECI	1375	1400
Anglo American	5675	5650
Anglo Am Gold	28400	28200
Barlows	1895	1920
Blyvoor	2200	2250
Buffels	7800	7700
De Beers	3200	3245
Driefontein	6300	6200
Fregold	4350	4150

London

	Close	Prev
AA Corp	$10¾	$11
Allied-Lyons	330	335
Anglo Am Gold	$55½	$55½
Ass Brit Foods	374	374
Asda-MFI Gp	146	148
Barclays	487	489
Bass	745	758
B.A.T.	408	406
Beecham	395	401
Blue Circle	548	538
BOC Group	326	327
Boots	221	224
Bowater Indus	323	323
BP	625	610
Brit Telecom	198	202
Brit Aerospace	490	488
Britoil	130	130
BTR	285	286
Burmah	384	380
Cable Wireless	341	342
Cadbury Schw	169	170
Charter Cons	223	256
Commercial U	307	308
Cons Gold	464	467
Cookson Group	475	476
Courtaulds	262	270
Dalgety	283	283
De Beers	613	680
Driefontein	$12¾	$12¾
Fisons	625	620
Free St Ged	$8⅝	$8⅝
GEC	186	190
Gen Accident	822	819
GKN	269	269
Glaxo	965	9 61/64
Grand Met	375	378
GRE	824	822
Guinness	330	330
GUS	14⅞	14⅞
Hanson	180	178
Hawker	487	487
ICI	9 63/64	10 3/64
Jaguar	498	526
Land Securities	325	324
Legal General	266	270
Lloyds Bank	429	437
Lonrho	209	212
Lucas	533	533
Marks and Sp	206	205
Metal Box	168	171
Midland Bank	537	539
Nat West Bank	517	519
P and O	508	513
Pilkington	416	416
Plessey	196	198
Prudential	869	859
Racal Elect	182	186
Randfontein	$44½	$45
Rank	497	492
Reed Intl	250	258
Reuters	513	513
Royal Dutch	$58¾	$57½
Rover	40	40
RTZ	589	597
Saatchi	730	735
Sainsbury	402	398
Sears Holdings	121	118½
Shell	875	873
STC	144	144
Std Chartered	719	737
Storehouse	343	345
Sun Alliance	649	667
Tate and Lyle	578	580
Tesco	403	400
Thorn EMI	489	482
T.I. Group	463	466
Trafalgar Hse	280	275
THF	154	154
Ultramar	136	136
Unilever	18 51/64	18 51/64
United Biscuits	244	244
Vickers	398	398
War Loan 3½	38¼	38¼
Woolworth	655	650

F.T.30 Index: 1267.80
Previous: 1273.60
F.T.S.E.100 Index: 1604.40
Previous: 1609.00

Milan

	Close	Prev.
Banca Comm	26500	26000
Cigahotels	5020	4950
CIR	14620	13950
Cred Ital	3470	3350
Eridania	5000	4900
Farmitalia	13900	12510
Fiat	15980	15545
Generali	165025	159750
IFI	30790	30430
Italcementi	76900	75900
Italgas	3480	3310
Italmobiliare	146100	136200
Mediobanca	302500	296000
Montedison	3550	3500
NBA	3575	3440
Olivetti	18300	17830
Pirelli	5698	5690
RAS	65480	65200
Rinascente	1200	1185
SIP	3379	3400
SME	1949	1840
Snia	6200	6000
Standa	12100	10800
Stet	5130	5320

MIB Current Index: 1818
Previous: 1765

Paris

	Close	Prev.
Air Liquide	757	760
Alsthom Atl.	359	325
Av Dassault	1430	1470
Bancaire	1270	1245
BIC	622	608
Bongrain	2800	1940
Bouygues	1467	1450
BSN-GD	4140	4110
Carrefour	3358	3372
Chargeurs	1453	1461
Club Med	645	640
Darty	3800	3780
Dumez	1485	1490
Elf-Aquitaine	310	307
Europe 1	1061	1053
Gen Eaux	1296	1228
Hachette	2830	2805
Lafarge Cop	1370	1355
Legrand	4540	4490
Lesieur	1075	1050
l'Oreal	3580	3550
Martell	1349	1301
Matra	2455	2415
Merlin	3195	3150
Michelin	3485	3445
Moet Hennessy	2365	2242
Moulinex	73.50	75.20
Occidentale	1047	1040
Pernod Ric	1025	1026
Perrier	765	773
Peugeot	1080	1068
Printemps	654	630
Radiotechn	910	937
Redoute	2030	1980
Roussel Uclaf	1625	1660
Sanofi	700	696
Skis Rossignol	1280	1279
Telemecan	3140	3128
Thomson CSF	1499	1625
Total	410	398

CAC Index: 391.40
Previous: 388.80

Singapore

	Close	Prev.
Cerebos	3.76	3.76
Cold Storage	3.54	3.56
DBS	8	8
Fraser Neave	8.40	8.40
Haw Par	3.26	3.32
Hume	N.Q.	2.02
Inchcape	2.33	2.35
Lum Chang	0.915	0.93
Malayan Banking	3.82	3.84
OCBC	7.80	7.90
OUB	3.04	N.Q.
OUE	2.71	N.Q.
Shangri-la	3.20	3.12
Sime Darby	1.45	1.45
S'pore Airlines	7.55	7.60
S'pore Land	4.68	4.74
S'pore Press	8.35	8.40
S Steamship	1.54	1.61
St Trading	3.26	3.32
UOB	4.14	4.10
United Overseas	1.20	1.25

Straits Times Ind Index: 882.35
Previous: 887.84

Stockholm

	Close	Prev.
AGA	210	213
Alfa Laval	350	353
Asea	360	367
Astra	690	700
Atlas Copco	225	226
Bellier	167	169
Boliden	223	226
Electrolux	304	306
Ericsson	225	223
Esselte	585	595
Fermenta	139	143
Handelsbanken	460	455
Pharmacia	214	215
Saab-Scania	N.Q.	730
Sandvik	184	188
Skanska	184	188
SKF	240	240
SwedishMatch	365	364
Volvo	412	417

Affaersvaerlden Index: 718.50
Previous: 725.60

Sydney

	Close	Prev.
ACI	3.55	3.55
ANZ	4.96	4.90
BHP	8	7.92
Boral	4.12	4.24
Bougainville	2.82	2.85
Coles Myer	4.60	4.65
Comalco	2.40	2.35
CRA	6.06	6.04
CSR	2.78	2.80
Dunlop	3.45	3.58
Elders Ixl	4.86	4.88
ICI Australia	2.50	2.45
Magellan	1.30	1.30
MIM	1.80	1.84
Nat Aust Bank	5.46	5.44
News Corp	24	23.80
N Broken Hill	2.02	2.05
Poseidon	2.70	2.70
Qld Coal Trust	1.65	1.64
Santos	3.78	3.75
Thomas Nation	3.30	3.25
Western Mining	3.52	3.65
Westpac Banking	4.76	4.78
Woodside	0.91	0.90

All Ordinaries Index: 1185.40
Previous: 1185.90

Tokyo

	Close	Prev.
Akai	387	397
Asahi Chemical	870	870
Asahi Glass	1280	1190
Bank of Tokyo	947	950
Bridgestone	655	647
Canon	900	890
Casio	1220	1230
C.Itoh	342	385
Dai Nippon Print	1950	1900
Daiwa House	1690	1720
Daiwa Securities	2270	2250
Fanuc	6470	6100
Fuji Bank	1760	1730
Fuji Photo	2720	2640
Fujitsu	915	870
Hitachi	895	868
Hitachi Cable	1100	1100
Honda	1020	1020
Japan Air Lines	10500	10200
Kajima	1210	1220
Kansai Power	4210	4230
Kawasaki Steel	217	218
Kirin Brewery	1750	1640
Komatsu	485	490
Kubota	404	400
Kyocera	3650	3500
Matsu Elec Inds	1330	1260
Matsu Elec Works	1570	1540
Mitsubishi Bank	1720	1680
Mitsubishi Chem	886	887
Mitsubishi Elec	463	467
Mitsubishi Heavy	579	585
Mitsubishi Corp	1200	1120
Mitsui and Co	773	690
Mitsukoshi	1290	1280
Mitsumi	1150	1160
NEC	1670	1510
NGK Insulators	819	826
Nikko Sec	2100	1940
Nippon Kogaku	885	875
Nippon Oil	1100	1100
Nippon Steel	204	201
Nippon Yusen	568	535
Nissan	548	587
Nomura Sec	3440	3380
Olympus	1040	991
Pioneer	1820	1850
Ricoh	766	770
Sharp	880	845
Shimazu	940	931
Shinetsu Chemical	891	884
Sony	2930	2870
Sumitomo Bank	2420	2310
Sumitomo Chem	431	435
Sumitomo Marine	1210	1220
Sumitomo Metal	165	168
Taisei Corp	720	730
Taisho Marine	1170	1200
Takeda Chem	2130	2050
TDK	3100	3080
Teijin	587	590
Tokio Marine	1820	1780
Tokyo Elec. Power	7200	7150
Toppan Printing	1630	1620
Toray Ind	730	749
Toshiba	640	629
Toyota	1420	1340
Yamaichi Sec	2010	1950

Nikkei 225: 18792.61
Previous: 18597.44
New Index: 1566.49
Previous: 1548.23

Zurich

	Close	Prev.
Adia	6925	6900
Alusuisse	625	625
Autophon	7150	7050
Bank Leu	3750	3775
Brown Boveri	1690	1685
Ciba Geigy	3500	3400
Credit Suisse	3725	3750
Electrowatt	3375	3300
Interdiscount	5425	5350
Jacob Suchard	8250	8200
Jelmoli	3780	3730
Landis Gyr	1850	1800
Moevenpick	6300	6250
Nestle	8275	8175
Oerlikon-B	1730	1710
Roche Baby	10725	10500
Sandoz	1685	1650
Schindler	3550	3550
Sulzer	365	350
Surveillance	6500	6450
Swissair	1340	1350
SBC	548	545
Swiss Reinsurance	3020	3000
Swiss Volksbank	2540	2500
Union Bank	5710	5480
Winterthur	6740	6800
Zurich Ins	3300	3250

SBC Index: 632.86
Previous: 628.38

*N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Toronto *Aug. 18*

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
2300	Abti Prce	$23½	22¾	23¼	—¼
200	Acklands	$19½	19½	19½	
15672	Agnico E	$26⅝	26¼	26¼	—⅜
18	Agra Ind A	$16½	16½	16½	+¼
11720	Alt Energy	$12¾	12⅝	12½	—⅛
44300	Alta Nat	$12¾	12½	12½	
2715	Algoma St	$13	12¾	13	—⅛
30980	A Barick	$16⅜	15⅞	16	—⅜
4872	Atco I f	$8½	8¼	8⅜	+⅛
18486	BCED	370	355	365	
956	BP Canada	$29½	29	29½	+⅜
24894	Bank BC	265	255	260	+5
41566	Bank N S	$15⅞	15½	15⅝	—¼
7304	Bonanza R	175	160	160	—15
1400	Bralorne	160	160	160	
8700	Bramalea	$22½	22½	22½	+¼
200	Brenda M	$8⅝	8⅝	8⅝	+⅛
66908	BCFP	$13⅛	12¾	12⅞	—⅛
109970	BC Res	129	125	126	—3
11250	BC Phone	$27¾	27⅛	27¼	
520	Brunswk	$13⅜	13	13	
1200	Budd Can	$40	38½	38½	—1½
48500	CAE	$11⅞	11	11⅛	—⅛
908	CCL A	$18¼	18	18	—¼
35470	CCL B f	$18⅛	17¾	17⅞	—⅜
37810	Cad Fry	$32¼	32	32¼	
43250	Campeau f	$28⅜	27¾	28⅛	+⅜
605	C Nor West	$15⅝	15⅛	15⅛	+⅛
1950	C Packrs	$16½	16	16½	+¼
1374	C Tung	$7½	7¼	7½	+¼
298902	CI Bk Com	$17¾	17½	17⅝	—⅛
71796	CTire A f	$14⅛	13⅞	14	—⅛
101	Cara	$10¼	10¼	10¼	+¼
125	Celanese	$16⅜	16⅜	16⅜	—¼
280	Celan 175 p	$23¾	23¼	23¾	+⅜
1983	Centrl Tr	$19¼	19⅛	19⅛	—⅛
7725	Cineplex	$19⅞	19⅝	19¾	—⅛
400	C Distb A	$6⅞	6⅞	6⅞	+⅛
4125	CDistb B f	$6¾	6⅝	6¾	
12833	CTL Bank	$10⅝	10⅜	10½	+⅛
9300	Conwest A	$8⅝	8¼	8⅝	+⅛
7200	Coseka R	100	99	100	
100	Conran A	$17	17	17	
657	Crowax	$28⅝	28¼	28⅛	—⅜
7400	Czar Res	140	140	140	
2700	Denison A p	$5⅝	5¼	5⅝	
2500	Denison B f	$5⅝	5⅜	5⅝	
4600	Dicknsn A f	$8½	8¼	8⅜	
3400	Dicknsn B	$8½	8¼	8½	+⅛
62510	Dofasco	$24⅛	23⅝	23⅞	—¼
600	Donohue	$26½	25¾	26½	+¼
1200	Du Pont A	$34⅝	34½	34½	—⅜
67476	Dylex A	$16½	15⅞	16	—⅝
12	Elcthom X	$11	11	11	—⅛
250	Emco	$31	31	31	
3200	Equity Svr	485	465	465	—35
1300	FCA Intl	$20¾	20½	20¾	+¼
3084	C Falcon C	$16¼	15¾	16¼	
313800	Ficnbridge	$18⅝	17⅞	17⅞	—⅜
44885	Fed Ind A	$16½	16	16¼	
100	Fed Pion	$27½	27½	27½	+½
2380	F City Fin	$13⅝	13½	13½	—⅛
33	Gendis A	$19¼	19¼	19¼	—¼
1680	Geac Comp	475	470	475	+10
100	Gibraltar	$8¾	8¾	8¾	+¼
21900	Goldcorp f	$7½	7¼	7⅜	—⅛
7109	Grafs G	$18¼	18	18¼	+⅜
4600	GL Forest	$23½	23	23¼	—¼
400	Gt Pacific	$44¼	44¼	44⅛	—⅜
3066	Greyhnd	$27½	27¼	27¼	+¼
2360	Hawker	$28	27⅞	28	
151	Hayes D	$14⅜	14¼	14¼	—⅛
20650	Hees Intl	$32⅛	31⅞	32	
3006	Hollinger	$23	23	23	
1046	H Bay Co	$28⅛	27⅞	27⅞	—½
124650	Imasco	$34½	33¾	33¾	—¾
51532	Indal	$14½	14⅛	14⅛	—⅛
10000	Inglis	$20	20	20	—⅛
420	Inland Gas	$12⅝	12¼	12⅝	
7725	f Corona a	$20¾	20⅝	20⅝	—½
98850	Intl Thom	$11½	11⅜	11⅜	
2923	Inter Pipe	$38¼	38	38	
529	Ipsco	$8¼	8	8¼	+⅛
2584	Jannock	$24⅝	24½	24½	—¼
100	Kelsey H	$22	22	22	
2800	Kerr Add.	$16⅞	16¾	16⅞	+⅜
28184	Labatt	$24	23⅝	23⅞	—¼
3000	Lacana	$9⅝	9½	9⅝	
1700	LOnt Cem	$25	25	25	+¼
1448	Loblaw Co	$13	12⅞	12⅞	—⅛
1070	Lumonics	$13½	13⅜	13½	
10146	Magna A f	$35⅝	35½	35⅝	—¼
238	MDS H A	$16¼	16	16¼	+¼
13500	MICC	$7½	7¼	7⅜	
17550	Mclan H X	$19	18⅞	19	
2008	Maritime f	$15⅝	15⅜	15⅝	+⅛
6947	Molson A f	$27	26¾	27	+⅛
1000	Nabisco L	$37⅝	37½	37½	—⅛
22604	Noranda	$18⅝	18½	18½	—⅛
22939	Norcen	$14¼	14	14	+¼
678947	Nva AltA f	475	470	475	+15
21300	Nowsco W	$11⅞	11	11	—1
18000	NuWst sp A	27	24	27	+3
1800	Oakwood	260	250	250	
98494	Omnibus a	$7⅝	7½	7⅝	
23701	Oshawa A f	$22¾	22½	22½	
19180	Pac W Airln	$17½	17¼	17¼	
2600	Pamour	$11	10⅝	10⅝	—⅛
7300	PanCan P	$27⅛	26½	27⅛	+⅜
140	Pine Point	$9⅝	9⅝	9⅝	—⅛
135708	Placer	$27⅜	27	27⅛	—⅛
10204	Que Sturg a	480	470	470	—35
5840	Rayrock f	$6⅛	6	6⅛	+⅛
3500	Redpath	$26½	26	26⅛	—⅜
3079	ReedSt 7 Sp	$54	53½	54	+½
91	Roman	$9⅝	9⅝	9⅝	—⅛
8300	Sceptre R	265	265	265	+2
12350	Scotts f	$39¼	39⅛	39⅛	
17927	Sears Can	$12⅜	12	12¼	—½
508	SHL Systm	$25	25	25	—¼
3800	Selkirk A f	$24½	24½	24½	+½
8360	Shell Can	$22½	22⅜	22⅜	—¼
600	Sherritt	$6¼	6⅛	6¼	
200400	Slater B f	$14¼	13⅞	14¼	+⅛
1500	Southam	$23⅛	23	23	
6022	Spar Aero f	$24⅞	24⅝	24⅝	—⅛
127654	Stelco A	$20⅝	20½	20½	—⅛
800	Sulpetro	58	58	58	+2
400	Teck Cor A	$23½	23¼	23¼	—¼
1348	Teck B f	$23⅜	23⅛	23⅛	—⅛
19407	Tex Can	$28⅜	28	28⅛	—⅛
16225	Thom N A	$30	29½	29½	—½
64552	Tor Dm Bk	$23¼	22⅞	23	—⅛
7345	Torstar B f	$32¾	32	32⅛	—⅜
6800	Traders A f	$49¼	49	49	—¼
1991	Trns Mt	$14⅝	14⅝	14⅝	
300	Trinity Res	53	53	53	—2
308686	TrnAlta UA	$29¾	29⅝	29¾	+⅛
44839	TrCan PL	$17	16¾	16¾	—⅛
5500	Trimac	250	245	245	+10
8630	Trilon A	$32½	32¼	32¼	—⅛
1270	Trizec A f	$33	32¾	33	+⅛
92050	Turbo	65	64	64	
7200	Unicorp A f	$8⅝	8½	8½	
5170	Un Carbid	$15¾	15¼	15¼	—⅛
4450	U Entprise	$11¾	11½	11½	—⅛
2163	U Keno	$7	7	7	
3900	Versti A f	190	180	190	+5
100	Vestgron	60	60	60	—15
2400	Wardair	$16	15⅝	15⅞	—⅛
54534	Westmin	$7¾	7½	7¾	+⅛
3008	Weston	$33¾	33½	33⅝	
613	Woodwd A	$6⅝	6½	6½	+⅛

Total sales 15,592,187 shares

	Close	Previous
TSE 300 Index:	3,017.20	3,003.30

Montreal *Aug. 18*

Sales	Stock	High	Low	Close	Chg.
31072	Bank Mont	$32⅝	32¼	32⅜	—⅛
1630	BombrdrA	$22¼	22	22¼	+¼
22405	BombrdrB	$22¼	21½	21⅝	—⅛
600	CB Pak	$26½	26½	26½	
34910	Cascades	$18	17¾	17⅞	
100	CIL	$26⅝	26⅜	26⅜	—⅜
770	ConBath	$23	22⅞	22⅞	—⅛
1275	DomTxtA	$19¼	19¼	19¼	
7295	MalTrst	$12¼	12⅛	12⅛	—⅛
21928	NatBk Cda	$26⅛	25⅞	26⅛	+⅛
21250	Noverco	$13	12⅞	12⅞	
15175	Power Corp	$16¾	16¼	16⅜	—⅜
6070	Provigo	$18½	18	18	—½
1101	RollandA	$14¼	14	14⅛	+⅛
87851	Royal Bank	$33⅜	33¼	33¼	
297	RoyTrstco	$33	33	33	—⅛
12100	SteinbrgA	$43¼	42	42⅞	+½

Total Sales 3,134,400 shares.

	Close	Previous
Industrials Index:	1,268.26	1,268.00

SCIENCE
IN THE IHT EVERY THURSDAY A FULL PAGE ON RECENT DISCOVERIES IN SCIENCE AND MEDICINE

SPORTS

Soccer's Chilling Range of Risk

ROB HUGHES

International Herald Tribune

LONDON — Somewhere in the arteries of a Bucharest hospital lies a goalkeeper afraid that he may have been destined for a one-night stand of glory.

Three months ago, Helmuth Ducadam, huge and indomitable, saved four Barcelona penalty kicks to win the European Cup for Steaua Bucharest all but single-handedly.

It had been a perverse night in Seville, boring until the penalty shoot-out. Ducadam, little known to us but evidently a man of character, had passed the nerve test of Spanish flare rockets fired at him from the stands and Spanish cleats around his kidneys.

Barcelona failed to nail him by fair means or foul. Its shoot-out plan was as plain as the moustache on Ducadam's face: Shoot hard and low, where his immense height ought to make it difficult for him to get down to ankle level quickly.

How difficult, we may never know. The Barcelona penalties, all four of them, were struck with such timidity that the saves looked easy. The abiding memory of May 7 was of the big, laconic Romanian telescoping his right arm out to block powder-puff shots.

Not entirely the stuff of comic-strip heroism, but enough to take Europe's major club trophy behind the Iron Curtain for the first time in history.

And where now the hero? Recuperating after a five-hour operation to save an arm from being amputated. The hospital bulletin tells us that Ducadam fell during a hunt and aggravated blood clots that had developed during his career.

A hunt in the city of Bucharest? Blood clots forming as an occupational hazard in a young goalkeeper? What are the implications, and what the chances of Ducadam's making a full sporting recovery?

Hospital bulletins, east or west, leave unanswered questions. Doctors exist to ease blood clots, not to speculate on sporting pasts or futures. They say Ducadam will be out of the game for six months, but of course beyond that will be the questions in the man's mind, the degree to which his reflexes are recoverable, the chance of an understudy's elbowing him aside permanently.

In sport, as in life, you make the most of what opportunities come your way. Damaging vital equipment is no help at all, and an arm is about as vital a piece of goalkeeping equipment as there is.

For any other player the vulnerable area is usually below the belt. Without even the hope Ducadam clings to, Bernd Forster, elder of the Stuttgart defender brothers, has just joined the ranks of prematurely retired knee victims.

Bernd was never the lucky brother. As he, at 30, contemplates the sedentary life, his sibling Karl-Heinz begins, at 28, a lucrative new phase with Marseille.

The Forsters came out of the same family to share so much. They played side by side for Stuttgart, side by side for West Germany. They were similar, no-nonsense types, look-alikes except that Karl-Heinz is taller and has more than doubled Bernd's 33 internationals.

Nevertheless, a certain referee will always see them as a pair because of the night the brothers conned him. One Forster (I can't remember which, and the referee during a UEFA Cup match was unable to tell at the time) incurred what should have been his second bookable foul of the night.

The wrong Forster stepped forward to accept the yellow card, and protect the other from being sent off. Officialdom found out and banned them both.

What authority could not separate, the gods of sporting injury now do.

The risks are everywhere. Injury comes not just through physical contact, accidental or intended. Ask any club physician now dealing with the wear and tear of overplayed professionals. Is there no protective environment for talent?

I can think of one location, but it would be either unacceptable or out of bounds to most of us. Perry Buckland is an Englishman whose soccer skills are almost virginal at the age of 24. They have been kept behind prison walls for seven years.

Buckland is serving a life murder sentence for stabbing a youth to death in a London discotheque. Because of good behavior he is now in Ford, a minimum-security prison south of London. At least two hours daily, he runs, lifts weights, practices alone. The prison soccer team has provided a competitive outlet but not an overburdening one.

He has the benefit of fully qualified Football Association coaching, and a big break came his way. George Best, once the most beautifully talented forward in Britain, did time in Ford for drunken driving.

Best helped organize a charity match involving the inmates. Buckland played brilliantly in midfield, and on August 5 he was allowed to train with Portsmouth FC for a day.

"I'm not bothered about his past," said Alan Ball, the Portsmouth manager. "He served his time for what he did and I want to give him a chance."

Buckland now awaits a parole review in October, hoping it will recommend release within 18 months and the chance to further test his skills against professionals.

Not unnaturally, the mother of the victim is outraged that her son's killer is, even occassionally, free to play soccer. Yet Buckland insists: "I'm not a danger to anyone. I wasted my teenage years, but now I'm trying to make something of my life. I've learned what is right and wrong."

The race against time is obvious. He is 24, he has worked out once with a Second Division club's apprentices, and he has been told there will be no more day releases before the fall.

By then, the parole officers will have had the opportunity to study Buckland's ability to cope with the letdown of soccer double-talk.

The day Buckland trained with Portsmouth, Ball (who at 21 had been a World Cup winner with England) commented: "It's too soon to tell whether he will make the grade, but there's no doubt he has ability."

Those encouraging words evaporated when Portsmouth subsequently stated that there is no likelihood of Buckland's being offered any sort of contract.

Maybe the statement is intended to appease the emotional outcry surrounding such headlines as "Soccer-Playing Killer Joins Stars With a Prison Transfer."

Maybe Ball (unable to guarantee his own chances of being manager if Buckland is released 18 months from now) has seen something he doesn't like.

Either way, the message comes with all the blandness, the chilling finality, of a medical order to quit the game, the life.

Press Sports

Helmuth Ducadam, turning aside a Barcelona penalty shot.

Hagler Offers to Fight Leonard

By William Gildea
Washington Post Service

WASHINGTON — Middleweight champion Marvelous Marvin Hagler on Monday accepted Sugar Ray Leonard's challenge and offered to meet the former welterweight champion next March.

Hagler, who said on July 2 that he was "very seriously thinking about retiring" from boxing, reportedly had told confidants in the last few days that he did not ever want to be accused of "ducking" Leonard.

"He said that 20 years from now he didn't want to be asked why he ducked Sugar Ray," said a spokesman for Top Rank, the fight promotion firm that has handled all 12 of Hagler's title defenses. "He said, 'I never ducked anybody, especially Sugar Ray Leonard.'"

The spokesman said that the bout, which could be the richest in boxing history, would be for the middleweight championship. In 1982, the Larry Holmes-Gerry Cooney heavyweight title fight promoters reportedly paid each fighter $10 million. Dates reportedly being explored are Mondays in late March — the 16th, 23d or 30th.

Leonard's adviser, Michael Trainer, said of Hagler's decision, "It's nice to know that he is inclined to fight Ray.... We'll know how interested [Hagler's advisers] are when we sit down to talk about it."

But Trainer said, "I think everything can be resolved.... You have the main ingredients. Everything else pales by comparison." He said he was looking forward to meeting Hagler's manager, Pat Petronelli, to work out arrangements.

Leonard, who said on May 1 that he wanted to fight Hagler, would be a decided underdog as he moves up in weight class against Hagler, who has a 62-2-2 record with 52 knockouts and has not lost in more than 10 years. The heavy hitter long ago avenged both defeats and ties with devastating knockouts.

By contrast, Leonard first retired in 1982 after suffering a detached retina, and then again in 1984 after a shaky comeback victory against Kevin Howard, which gave him a 33-1 record. By next March, Leonard, now 30, will have fought only once in five years and one month.

Because of Leonard's inactivity, his announcement that he wanted to fight caught Hagler by surprise. Hagler was coming off a tough fight, in which he knocked out the previously unbeaten John Mugabi in 11 rounds. Hagler's wife had been urging him to retire. At the July 2 news conference Hagler said he was not ready to announce his plans.

Last weekend, Bob Arum, head of Top Rank, proposed a plan for a Leonard fight to Hagler, Petronelli and Hagler's attorney. On Monday, Top Rank said Hagler had agreed.

Although Top Rank said it would be a championship fight, Leonard is not rated by the World Boxing Association or the World Boxing Council because of his inactivity. Leonard has been working out regularly; he has said the layoff will not hurt him, but that the tough bouts Hagler has had — especially against Roberto Duran, Thomas Hearns and Mugabi — "do take their toll."

Hagler, 32, has been fighting less frequently — once in 1986, once in 1985 and twice in 1984.

Said Trainer of the two fighters: "They need each other."

Scott, Top Astro Pitcher, Finally Beats the Pirates

Compiled by Our Staff From Dispatches

PITTSBURGH — Mike Scott, leading the majors in earned-run average and strikeouts, finally beat the team with the worst record in the big leagues.

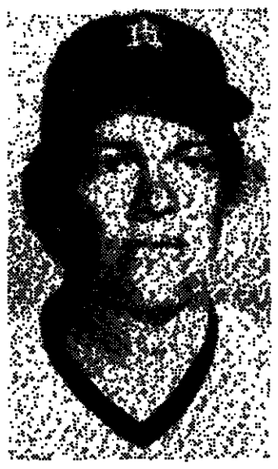
Scott pitched a four-hitter and struck out 10 Monday night as the Houston Astros defeated the Pittsburgh Pirates, 3-0. It was Scott's first victory in nine career decisions against Pittsburgh, including a loss and a no-decision this season. He entered the game with 5.73 career ERA against the Pirates.

"Now I have everybody in the league," Scott said. "These guys were the toughest."

In winning for the eighth time in their last 11 games, the Astros scored a run in the third inning when Scott singled, advanced to third on a walk and an infield out and scored on Denny Walling's infield hit. José Cruz iced the game with a two-run home run in the sixth against Bob Walk.

The Astros increased their lead in the National League West to 6½ games over San Francisco.

Scott raised his record to 13-8, increased his strikeout total to 233 and lowered his ERA to 2.23. It was his fourth shutout of the year and the 15th time he has struck out nine or more batters in a game.



Mike Scott

"I don't really set any goals," Scott said. "I never say that I want to get this many strikeouts or anything like that. You take it a game at a time and look at all the numbers at the end of the year."

Mets 5, Dodgers 4: In Los Angeles, Darryl Strawberry snapped out of an 0-for-24 slump with a two-run home run and a run-scoring single, and Keith Hernandez also homered as New York started a West Coast trip by edging Los Angeles.

Reds 6, Padres 5: In Cincinnati, Buddy Bell extended his hitting streak to 16 games with a three-run homer, and the Reds withstood a five-run rally in the ninth.

Red Sox 3, Twins 1: In the American League, in Minneapolis, Rich Gedman's two-run homer with one out in the ninth gave Boston its victory over Minnesota.

Indians 10, Brewers 4: In Cleveland, Tony Bernazard homered and hit two singles, driving in three runs and scoring three times to lead the Indians to their fourth straight victory. *(AP, UPI)*

BASEBALL ROUNDUP

East Germans Set Two Swim Marks

The Associated Press

MADRID — An East German team clocked 3 minutes, 40.57 seconds to set a women's 4-by-100-meter freestyle-relay world record while winning the gold medal at the world swimming championships here Tuesday.

Kristin Otto, Manuela Stellmach, Sabine Schulz and Heike Friedrich bettered the mark of 3:42.41 set by an East German quartet in Moscow in August 1984.

Otto also set a world record for the 100-meter freestyle with her first-leg 54.73, which beat the six-year-old mark of 54.79 posted by compatriot Barbara Krause. The first leg of a relay counts for an individual world record.

Kelly, Long Join NFL; Campbell Quits

Compiled by Our Staff From Dispatches

NEW YORK — Two promising quarterbacks joined the National Football League on Monday as a great running back departed.

Jim Kelly and Chuck Long signed contracts with the Buffalo Bills and Detroit Lions, respectively, on the day that New Orleans running back Earl Campbell called his last as a professional player.

Kelly signed a 5-year, $8 million contract with the Bills, making him the highest paid player in league history. Kelly passed for 83 touchdowns in two seasons with the United States Football League's Houston Gamblers.

"I'm a competitor," Kelly said. "Whatever the situation is, I'll give 100 percent. Since I was planning on playing this year, my arm's in shape. I've been working out."

Long, Detroit's No. 1 draft pick, agreed to a four-year, $1.75 million contract after a holdout-ending meeting Monday between his agent and team officials.

Runner-up in the 1985 Heisman Trophy balloting to Auburn's Bo Jackson, Long led Iowa to the Rose Bowl last year. Since starting as a sophomore in 1982, he completed 782 of 1,203 passes for 10,461 yards and 74 touchdowns.

Campbell, a former Heisman Trophy winner and the NFL's seventh all-time rushing leader, retired after a nine-year career. He was in his third season with the Saints and was 593 yards shy of 10,000 career rushing yards.

A punishing runner at 5-foot-11 and 225 pounds (1.80 meters, 101.8 kilograms), Campbell spent most of his career with the Houston Oilers. He was traded to New Orleans after the sixth game of the 1984 season. Campbell, 31, had arthroscopic knee surgery before that season.

"This is the best thing for me and the Saints," said Campbell, flanked by Coach Jim Mora and the team president, Jim Finks.

"Pro football has done a great deal for me and I'm happy I played as long as I did. It's time this old cowboy got on with things. I've been watching myself and my body reactions, and I just wasn't recovering as fast as I used to. If I can't give it my best, I might as well not do it.

"I'm a man. I'm not a little boy," he said. "I believe this is the best thing — not only for myself, but for the Saints."

Said Mora: "He's a cinch for the hall of fame." *(UPI, AP)*

Dave Fornell/Western-UPI

Earl Campbell on Monday
"If I can't give it my best, . . ."

Mary Decker Slaney: Mother and Miler

By George Vecsey
New York Times Service

NEW YORK — Mary Decker Slaney believes in schedules — for herself and also for Ashley Lynn Slaney, born May 30. Her schedule included a run on the track six days after giving birth, which she calls "the most pain I have ever felt in my life." And her daughter's schedule is no less important.

As her husband, Richard Slaney, drove her to the airport in Oregon last Sunday, Decker gave some last-minute instructions: "Make sure you stop halfway between Portland and Eugene to feed and change her." And she also reminded her husband to try to keep the infant awake as much as possible during the day.

"Her grandmother is visiting from England, and she likes to let her sleep when she wants," Decker said with a smile. "Her mother doesn't."

The disciplined approach to life has brought Decker back to within a couple of pounds — not an ounce of it noticeable — of the 110-pound (49.9-kilogram) whippet who won all 14 of her races last year, her post-Zola Budd season. She then fulfilled a commitment for a promotional run in South Korea and became pregnant in Hawaii on the way home, right on schedule.

Now she is ready to compete, right on schedule. Her first race back will be on Sept. 13 in the Fifth Avenue Mile.

"Actually, I had her and Eamon Coghlan in mind when we started the race," said Fred Lebow, the promoter. "But we never could get her."

"It just wasn't in my schedule," Decker said.

Her schedule has brought her almost every honor in running, including eight U.S. records at varying lengths, and a legitimate claim of being the greatest female runner in history. But an injury kept her out of the 1976 Summer Games, the U.S. boycott kept her out of the 1980 Games, and her legendary collision with Budd left her crumpled and crying on the side of the track in the 1984 Games.

"That didn't make me keep going for 1988 and 1992," Decker said Monday. "The only difference it made was that I definitely would have had the baby a year earlier. After what happened in Los Angeles, I was injured, and I never really competed in 1984. I had an incomplete year. So I wanted to have a good year before having a baby."

Her track goals accomplished, Decker stayed home in Eugene with her husband, the 290-pound British-born discus thrower whom she married after the 1984 Games, and who said he would be available to take care of the baby.

"Richard sacrifices more for me than he does for himself," she said Monday. "His training is important to him, but he's willing to be around."

"You married the right man," said a female voice from within a pack of journalists, as Decker nodded in agreement.

Sitting out the winter and spring seasons was difficult, Decker said. She tried to keep running right up until the delivery, but found she had to stop every 400 yards because of cramping.

"The doctor said that was because the baby was really low, putting pressure on my pelvis, but they didn't find that out until later," she said.

The cramps while running were nowhere near as difficult as the nine hours of labor. "I started with my contractions three minutes apart, really intense," she said, "and when I got to the hospital they said the intensity was as if I was ready to give birth. They finally had to give me a block injection, it was so bad."

She waited six days before running again — "because I promised my doctor I would wait that long" — and she ran 15 miles (24.2 kilometers) in the first week, and she is now up to 45 or 50 miles, close to her normal load of 60.

She said she has felt good resuming training, perhaps enjoying it more than ever "because I'm so busy the rest of the time." She has noticed several other women, including Ingrid Kristiansen, the Norwegian marathoner, and Valerie Brisco-Hooks, running as well as ever after childbirth, but said most of her encouragement has come from Molly Salazar, one of her best friends and the wife of Alberto Salazar, the marathon champion.

"Molly ran in college and she is a serious recreational runner now, after two children," Decker said. "She was very helpful to me."

Decker plans to keep running for at least eight years, maybe 10, "barring injuries or accidents or other problems." She thinks motherhood is compatible with running, and vice versa, because "I really enjoy seeing her smile and kick and touch her rattle. Am I a good mother? Anybody can have children. It's raising them that counts. Ask me that question again in 20 years."

She wants to remain a competitor as well as a wife and mother, and says she is satisfied with the way she reacted, with anger and frustration, following the collision with the barefoot Budd.

"I'm basically an honest person," Decker said. "I say what I feel." She said she thought of the collision to give her incentive in every one of her 14 races in 1985.

Now she is back, prepared to risk her fragile shins and ankles on the hard pavement of Fifth Avenue, which, Lebow personally guaranteed her, will be made as smooth as a running track by the marvelous facilities of the city's department of highways.

Her trip east to promote the race resulted in her first night away from Ashley Lynn. She called home when she arrived in New York on Sunday, only to have Richard tease her: "What's the matter, don't you think we can survive without you?"

"I said, 'That's the problem. I'm sure you can,'" Decker said.

Reuter-UPI

Mary Decker Slaney obliged photographers by jogging barefoot down Fifth Avenue.

SCOREBOARD

Transition

BASEBALL
American League
CLEVELAND—Announced it will add a team in the Carolina League to be located in Maryland.
National League
MONTREAL—Outrighted George Wright, outfielder, to Indianapolis of the American Association.
BASKETBALL
National Basketball Association
PHOENIX—Signed Rafael Addison and Kenny Gattison, forwards, and Joe Ward, Jeff Hornacek and Grant Gondrezick, guards.
FOOTBALL
National Football League
ATLANTA—Waived Al Richardson and Jeff Jackson, linebackers; Michael Williams and Jerry Butler, running backs; Mike Prindle and Eddie Taylor, placekickers; Earl Allen, cornerback; Michael Busch, quarterback; Michael Perth, nose tackle; Darryl Shepherd, wide receiver, and Andy Upchurch, center. Placed Bobby Jackson, cornerback; Don Wagoner, defensive back; Zachary Barnes, and Michael McInnis, defensive ends, and Mike Landrum, tight end, on the injured reserve list. Signed Joey Jones and Aubrey Matthews, wide receivers.
BUFFALO— Cut Art Schlichter, quarterback; Shawn Potts, Danny Knight and Joe Howard, wide receivers; David Nardone, punter; Jason Staurovsky, placekicker; Mike Larkin, linebacker; Charles Harbison, safety; Chris Babyar and John Wolciechowski, guards; Keith Lester, tight end; Dave Pender, nose tackle, and Darryl Caldwell, tackle. Placed Jim Perryman and Steve Clark, safeties, and James Seawright and Jim Melka, linebackers, on injured reserve. Placed Lucius Sanford, linebacker, on the physically unable to perform list.
CHICAGO—Cut Jack Cameron and Egypt Allen, defensive backs; Steve Jacobson and Mike Dwyer, defensive tackles; Gerald Taylor and Henry Jackson, linebackers; Jeff Powell and Bruce Jones, running backs; Benton Hundley, safety; Chris Jackson, center, and Brad Anderson, Steve Finch and Ken Knapczyk, wide receivers. Placed Marvin Ayers, defensive end; Rick Schulte, guard; Brian Cabral, linebacker, and Andy Frederick, tackle on injured reserve.
CINCINNATI—Waived Sandy Osiecki, quarterback; Clay Pickering, wide receiver; Jeff Partridge, punter; Mike Russell, tight end; Gary Smith, center; Mike Wade, defensive back; Cary Whittingham, linebacker, and Tim Sims, tackle.
CLEVELAND—Placed Chip Banks, linebacker, on the reserve-failed to report list. Placed Keith Baldwin, defensive end; Uwe von Schamann, placekicker; Scott Bolzan and Jim Meyer, offensive tackles; and Danny Taylor, cornerback, on injured reserve. Waived Jeff Christensen, quarterback; Stan Talley, punter; Jeremiah Snowden and Stacy Driver, running backs; Louis Watson, wide receiver; Ron Wetzel and Jim Toft, tight ends; Randy Dauslin, offensive lineman; Reginald Carr, nose tackle; Tom Emmons, defensive end; Bobby Bell, linebacker, and Darrel Ray, safety.
DALLAS—Cut Junior Miller and Chris Wolfman, tight ends; Kenny Duckett, wide receiver; Dave Aughtman and Bryan Chester, offensive guards; Pat Bellago, defensive back; Tapper Clemens and Robert Mimbs, running backs; Stan Galbaugh and Scott Woolf, quarterbacks; Mark Royals, punter, and Steve Savard, linebacker.
DENVER—Waived Butch Johnson, wide receiver; Mike Clendenen, placekicker; Mike Barber and Victor Hail, tight ends; Dean Miraldi, offensive tackle; Steve Fitzhugh and Kent Davis, defensive backs; Aaron Smith and Chuck Goreckl, linebackers, and Scott Tye and Bill Lobenstein, defensive linemen. Placed James Keyton and Stan Short, offensive linemen; Ray Noble, defensive back, and Dallas Cameron, linebacker, on injured reserve.
DETROIT—Cut Kirk Cooke, Bernard West, Paul Butcher and June James, linebackers; Mark Stevenson, offensive guard; Allan Durden, defensive back; John Goode and Burt Mauhilna, tight ends; Bret Wright, punter; Nick Gancitano, placekicker; Kevin Powell, nose tackle, and Todd Brown, wide receiver.
GREEN BAY—Signed Phillip Epps, wide receiver to two one-year contracts. Released George Cumby and Gary Spann, linebackers; Kim Bokamba and Michael Jones, wide receivers; Don Kendt, tight end; Tim Zabrodt, Matt Latham and Ronnie Burgess, defensive backs; Craig Colquitt, punter; Sylvester McGrew and Mark Shumate, defensive linemen; Tony Cichoke and Tom Zachary, running backs, and Bob Thomas, placekicker.
HOUSTON—Cut John Schuhmacher and Brian Walter, guards; Joe Cooper, placekicker; Larry James, Byron Johnson, and Mike Knox, linebackers; Vernon Johnson, tackle; Todd McArthur and Tony Woods, cornerbacks, and Tim Roth, center. Placed Rod Kush, linebacker, and Mark Kafentzis, safety on injured reserve.
INDIANAPOLIS—Released George Radachowsky, Jeff Sanchez, Tim Chambers, Terry Lewis and Jeff Gethers, defensive backs; Brad Saar, Lawrence Green and Greg Battle, linebackers; Steve Wright, offensive lineman, and Ricky Nichols, wide receiver. Placed Byron Smith, and Blake Winter, defensive ends; Pete Anderson, offensive lineman; Damon Reilly and Dan Holmes, wide receivers, and Gary Walker, center, on injured reserve.
KANSAS CITY—Waived Ike Reeden, nose tackle; Rob Pate, offensive guard; Kevin Eggleston, and John Ivemeyer, offensive tackles; Craig Federico, wide receiver; Jeff Heath and Ken Ozee, placekickers; Gregg Knapp, quarterback; Tom McCarthy, punter; George Peterson, linebacker, and Lavale Thomas, running back. Placed Jack Epps and J.C. Pearson, defensive backs, and George Shorthose, wide receiver, on injured reserve. Announced that Bill Baine, offensive tackle, and Larry Kubin, linebacker, have officially left camp.
L.A. RAIDERS—Cut Joe Mountel and Randall Webster, linebackers; Kevin Belcher, offensive guard, and Ken Potter and Scott Livingston, placekickers. Placed Martin Sartin, running back; Gardner Williams, defensive back, and Gene Brenton, tight end, on injured reserve.
MIAMI—Waived Robert Sowell and Ricky Smith, defensive backs; Obed Artrt, placekicker; Victor Oatis, wide receiver, and Arnold Franklin, tight end. Announced that Rayna Thompson, safety, recently listed as having been cut, was not cut.
NEW ENGLAND—Cut Steve Colabria, quarterback; Tony Woolfolk and Josh Shinnick, defensive backs, and Larry Linne, wide receiver. Placed Joe Shield, quarterback; David Chapman, tight end; Ron Kasor and Jack Peavey, offensive linemen; John Fahey, punter; Millard Hodge, defensive lineman; Randall Segiby, linebacker, and Eugene Profitt and Ron Shepos, defensive backs, on injured reserve.
NEW ORLEANS— Signed Pat Saindon, offensive guard, and Mel Gray, wide receiver. Cut Pat Swoopes, nose tackle; Ray Wilmer, safety; Jim McCullough and Patsy Parot, guards; Doug Mackie, tackle; Curtis Burrow, placekicker; Terry Folsost, punter; Malcolm Scott, tight end, and Stanley Blair, cornerback.
N.Y. GIANTS—Cut Byron Williams, wide receiver; Ted Watts, cornerback; Jerry Kimmel and Ray Swoope, linebackers; Mike Ramseur and Albert Smith, running backs, and Stanley Scott, defensive end.
PITTSBURGH—Signed Von Hughes, defensive end.
ST. LOUIS—Acquired Rick DiBernardo, linebacker, from Tampa Bay for an undisclosed conditional draft pick. Released Clyde Duncan and Thomas Brown, wide receivers; Carter Crawford and Rodney Beacham, nose tackles; Adam Kelly, punter; Danny Miller, placekicker; Thomas Maskal and Scott Schenkweiler, linebackers; Kevin Potter, cornerback; Michael Willis, defensive end, and Greg Wright, center.
SAN DIEGO—Cut Wayne Peace and Steve Smith, quarterbacks; Clyde Duncan, Dwayne Dixon, Curtis Perdidge and Greg Meehan, wide receivers; James Droste, center; James Hamrick, placekicker; Mike Miller, running back; Jeff Nowinski, tight end; Fred Smalls, linebacker, and Dale Walters, punter. Placed Malcom Moore, tight end; Ron Millus, cornerback, and Martin Wenstrom, defensive end, on injured reserve.
SEATTLE—Cut Keith Simpson, Ken Pettway and Lee Davis, cornerbacks; Don Doornink and Paul Miles, running backs; Leroy Howell and Don Fairbanks, defensive ends; Reggie DuPree, safety; Kevin Jones and Earl Winfield, wide receivers; Keith Kartz, offensive tackle; Dirk Nelson, punter; Jim Loughton, tight end, and Earl Conway, nose tackle.
WASHINGTON—Waived Wayne Asberry, cornerback; Stuart Anderson and Nikita Blair, linebackers; Jim Asmus, placekicker; Scott Fulhage, punter; Edwin Lovejoy, Nate Harris and Jeffrey Nelson, wide receivers, Chris Ostwold, guard, and Stan Yoslelis, quarterback.
HOCKEY
National Hockey League
NEW JERSEY—Traded Sam St. Laurent, goaltender, to Detroit for Steve Richmond, defenseman.
N.Y. RANGERS—Traded Mike Allison, center, to the Toronto Maple Leafs for Walt Poddubny, forward. Signed Mike Donnelly, left wing, Mike Sinala, right wing, and Terry Taft, center. Named Ed Giacomin goaltending coach and special assignment scout.
COLLEGE
BROOKLYN COL.—Named Len Reitman athletic director.
INDIANA—Named Mike Mallory graduate assistant football coach.
IOWA STATE—Named Jay Louderback tennis coach.
MACMURRAY—Named Randy Martz baseball coach.
MISSISSIPPI—Named Ed Murphy basketball coach and signed him to a four-year contract.
NEVADA-LAS VEGAS—Named Bob Price football linebacker coach.
PURDUE—Named Mitch Hull assistant wrestling coach.
SAN FRANCISCO—Named Laurie Fischmeier Corbelli women's volleyball coach.
SOUTHERN CAL—Named LeRoy Ellis assistant basketball coach.
SOUTHWESTERN LOUISIANA—Announced that Jack White, assistant football coach, has resigned to become a marketing representative with the Professional Golfers Association Tour.

Tennis

Pro Leaders

(Through Aug. 17)
MEN
Earnings
1, Ivan Lendl, $718,287. 2, Boris Becker, $459,489. 3, Joakim Nystrom, $437,188. 4, Mats Wilander, $375,755. 5, Anders Jarryd, $345,651. 6, Stefan Edberg, $266,541. 7, Yannick Noah, $256,915. 8, Andres Gomez, $248,751. 9, Thierry Tulasne, $211,812. 10, Henri Leconte, $196,198.
Tour Points
1, Ivan Lendl, 2,789. 2, Boris Becker, 2,010. 3, Joakim Nystrom, 1,832. 4, 4, Yannick Noah, 1,503. 5, Andres Gomez, 1,409. 6, Mats Wilander, 1,225. 7, Stefan Edberg, 1,221. 8, Emilio Sanchez, 1,053. 9, Jimmy Connors, 1,026. 10, Mikael Pernfors, 1,011.
Computer Rankings
1, Ivan Lendl, 186.3941. 2, Mats Wilander, 100.4667. 3, Boris Becker, 97.8635. 4, Stefan Edberg, 85.5256. 5, Yannick Noah, 79.2857. 6, Jimmy Connors, 79.2857. 7, Joakim Nystrom, 74.8500. 8, Henri Leconte, 60.0769. 9, John McEnroe, 58.0833. 10, Andres Gomez, 54.4444.

WOMEN
Earnings
1, Martina Navratilova, $1,048,512. 2, Chris Evert Lloyd, $762,305. 3, Helena Sukova, $376,535. 4, Pam Shriver, $353,820. 5, Hana Mandlikova, $304,464. 6, Steffi Graf, $302,250. 7, Claudia Kohde-Kilsch, $288,342. 8, Gabriela Sabatini, $167,373. 9, Kathy Jordan, $153,292. 10, Wendy Turnbull, $142,227.
Tour Points
1, Martina Navratilova, 2,159. 2, Chris Evert Lloyd, 2,141. 3, Steffi Graf, 1,586. 4, Helena Sukova, 1,491. 5, Gabriela Sabatini, 1,228. 6, Hana Mandlikova, 1,154. 7, Claudia Kohde-Kilsch, 1,034. 8, Pam Shriver, 939. 9, Manuela Maleeva, 851. 10, Kathy Rinaldi, 827.

Baseball

Monday's Line Scores

AMERICAN LEAGUE
Milwaukee 000 011 101— 4 10 2
Cleveland 104 012 11x—10 12 0
Bosio, Johnson (5), Clutterbuck (7) and Schroeder; Candiotti and Bando. W—Candiotti, 12-9. L—Bosio, 0-2. HRs—Milwaukee, Manning (4), Sveum (5). Cleveland, Bernazard (12).
Boston 100 000 002—3 8 0
Minnesota 001 000 000—1 3 0
Seaver, Stanley (9) and Gedman; Viola and Reed. W—Seaver, 7-10. L—Viola, 13-9. Sv—Stanley (15). HRs—Boston, Gedman (12). Minnesota, Smalley (19).
NATIONAL LEAGUE
San Diego 000 000 005—5 9 2
Cincinnati 000 021 32x—6 11 0
LaPoint, Walter (6) and Kennedy; Denny, Franco (9) and Diaz. W—Denny, 11-10. L—LaPoint, 0-1. Sv—Franco (20). HRs—San Diego, Gwynn (13). Cincinnati, Diaz (8), Bell (14).
Houston 001 002 000—3 10 1
Pittsburgh 000 000 000—0 4 1
Scott and Ashby; Walk, Clements (9) and Pena. W—Scott, 13-8. L—Walk, 5-7. HR—Houston, Cruz (5).
New York 101 030 000—5 9 0
Los Angeles 000 040 000—4 11 1
Ojeda, Sisk (6), Orosco (7), McDowell (9) and Hearn; Hershiser, Pena (6), Vande Berg (6), Niedenfuer (7), Howell (8) and Scioscia. W—Ojeda, 13-4. L—Hershiser, 12-9. Sv—McDowell (13). HRs—New York, Hernandez (11), Strawberry (17).

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	70	48	.593	—
New York	65	54	.546	5½
Detroit	63	56	.529	7½
Toronto	63	56	.529	7½
Baltimore	62	56	.525	8
Cleveland	62	57	.521	8½
Milwaukee	58	60	.492	12
West Division				
California	65	52	.556	—
Texas	61	57	.517	4½
Kansas City	53	65	.449	12½
Chicago	52	64	.448	12½
Oakland	52	68	.433	14½
Seattle	52	68	.433	14½
Minnesota	51	68	.429	15

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
New York	76	41	.655	—
Montreal	59	56	.513	17
Philadelphia	59	59	.500	18½
St. Louis	59	59	.500	18½
Chicago	52	66	.441	25½
Pittsburgh	47	71	.398	30½
West Division				
Houston	68	51	.571	—
San Francisco	61	57	.517	6½
Los Angeles	58	61	.487	10
Cincinnati	57	61	.483	10½
Atlanta	55	62	.470	12
San Diego	55	64	.462	13

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OBSERVER

Lincoln Fails the Test

By Russell Baker

NEW YORK — Abraham Lincoln is in trouble. "Positive," the director of the Federal Bureau of Urinalysis has just told him.

"Positive, positive: what kind of talk is that?" asks the president with a suppressed snarl. "And don't tell me positive is the opposite of appositive, because I'm just a plain old-fashioned rail splitter."

Primus Deaver, the president's image shaper, applauds. "Wonderful," Deaver says. "You did the rail-splitter line just right that time. Try to get the same sincerity into it when Shirley Temple comes to the Oval Office to sit on your lap this afternoon. Take it real slow on the key words: 'Shirley, I'm just a — plain — old-fashioned — rail splitter.' "

The director of the FBU interrupts: "Doing photo opportunities that require little girls on your lap could be political poison, Mr. President, until this positive test is dealt with."

"Positive! Positive! What kind of talk is that?"

Future talk, the director explains. "Tested positive" will be a phrase widely spoken by great Americans six score and three years hence.

□

"When I say your analysis tested positive," the director is explaining, "it means the test shows you're on LSD."

Baffled, Abraham Lincoln says he has never heard of LSD. Not to worry, says the director: the test is only 90-percent accurate. There has doubtless been an error.

Lincoln said, "That's what you said last time when the test showed I'd become enslaved to — what was it? — something like laudanum."

"Heroin," says the director. "These errors happen. I mean, you'd never guess what we got from the specimens Hannibal Hamlin brought us."

Again Abraham Lincoln is baffled: "Do I know a Hannibal Hamlin?"

"The vice president," says the director, "but the interesting thing is his tests. He brings the stuff in faithfully every week, and every week the test shows the same thing: Hamlin is hopelessly enslaved to oats."

Lincoln: "Oats? Mares eat oats and does eat oats, but Hannibal Hamlin — ?"

"Eats enough oats every day to fill a work horse," says the director. "At least that's what we would conclude if we didn't know about the test's 10-percent margin of error."

□

So why are they wasting Abraham Lincoln's time telling him that an error-prone test has failed once again? He ought to be busy practicing the Gettysburg Address.

"The point," says the director, "is that the press will soon be asking how your tests came out. You must decide whether to lie and risk being exposed later as a heroin addict and acid head, or tell the truth about the unreliability of the tests and risk having Congress shut down the FBU."

Of course, even if Abraham Lincoln tells the truth nobody will believe it until he takes a polygraph test to prove he is not lying. "And of course," the director notes, "the lie-detector test is not entirely reliable either."

They all know how tricky the polygraph can be. General Robert E. Lee has recently been hissed in the streets of Richmond because his monthly lie-detector test proved he was a compulsive gambler who had bet a fortune on the Union Army at Gettysburg and cleaned up by deliberately throwing the battle.

□

The director then delivers the really bad news.

"What!" cries the president. "General Grant tests positive for whiskey? On every test the past six months?"

Yes, error has been ruled out. "Devastating for our image. General Grant must be fired," Primus Deaver advises. The country will never re-elect a president who may or may not be on LSD and heroin if he refuses to fire a general who is undoubtedly on whisky.

"Farewell, my only winning general," Lincoln laments. "In the old days I could have kept you by saying, 'Tell me what brand Grant drinks so I can send some to all my generals,' and we could have won the war."

The old days, of course, occurred before science enabled us to do things right.

New York Times Service

Orwell, From Personal Experience

By Megan Rosenfeld
Washington Post Service

WASHINGTON — When Jiri Zizka, the Czechoslovakian émigré who directed the recent dramatization of George Orwell's "1984" at the Kennedy Center's Terrace Theater, first read Orwell, it was not in a book: No published copies of Orwell's works were available in Czechoslovakia. At 21, he read a typewritten translation of "Animal Farm," passed clandestinely from one intellectual to another in the *samizdat* system.

"It's not a real blackout," Zizka recalled. "You just have to know the right people."

In 1976, within two years of reading "Animal Farm," Zizka and his wife, Blanka, had left their homeland for good. In 1978 the book was to form the basis of their first production in the United States.

The Zizkas left Czechoslovakia separately, believing they would not have been allowed to leave together. Blanka Zizka, who was pregnant with their son, told the authorities she was going to visit her grandmother in Munich. The Zizkas were interned, separately, in West German camps for immigrants for several months. "They were very clean because everything was plastic," Zizka said.

They ended up in Philadelphia, where they had a friend with whom Zizka got work on animated films. Five years ago the couple took charge of the Wilma Theater there, and they have made it a center for challenging productions.

It was inevitable that they would turn to "1984." They were able to begin the project this year with a script by Pavel Kohout, a fellow Czech who fled to Austria.

If the production had a special resonance, it was not because Zizka wanted it to reflect his own experience. "The book I relate to on a basic level," said Zizka, a slim, balding man with a ready smile. "I did not want to create my own world, I wanted to provoke people into thinking that it can happen here."

As Zizka sees it, Orwell's horrifying vision of the future focuses on two themes: the power of technology and the loss of privacy. As the audience sees Winston Smith cowering in the small corner of his room that he believes is safe from observation, and watches his decline from individual to automaton, the gruesome details of Orwell's book, set in the fictional land of Oceania, take on a new intensity.

Doyna Smith/The Washington Post

Jiri Zizka, the director, on "1984": "We have freedom now because we haven't developed the technology."

Although such Orwellisms as "Newspeak" and "thought police" and "Big Brother is watching" have become clichés and his vision of an all-controlling, all-seeing bureaucracy is often cited in stories about police surveillance and government double talk, the real horror is yet to come, Zizka believes.

"We have freedom now because we haven't developed the technology," he said. In "1984," each home is outfitted with equipment that barks orders at everyone (and directs morning calisthenics) and watches their every movement. Zizka said the cast had a chance to experience the effects of this kind of surveillance firsthand, because a documentary film crew had been working on a piece about the Wilma Theater and was present at a number of rehearsals for "1984."

"I thought the actors could use the presence of the cameras as though they were in Oceania," Zizka said. "But what really happened was they felt they had no privacy to work, and for actors to feel safe enough to explore difficult emotions they need privacy. Things began to break down very quickly and it was quite difficult."

Zizka does not suggest that the United States, of which he became a citizen two years ago, is anything like the totalitarian state he left. But now and again he worries, he said. What do you make, for example, of the missile named "the Peacemaker"? Or the television commercials last year for the "peace shield," promoting the Strategic Defense Initiative? To some observers they sounded a lot like the Oceania slogan "War Is Peace."

Still, in Czechoslovakia the Zizkas would not be putting together a production of "1984." Indeed, so sure were they that two of their productions in Czechoslovakia would be closed that they never had an official opening night, getting around the rules by having "public rehearsals" instead. They were officially reprimanded.

"We were never shut down in a dramatic way," Zizka said. "It was not a question of soldiers coming and nailing the door shut. But we sensed a growing loss of artistic freedom."

One writer they knew was declared a "non-artist," which meant his work could not be published or publicized. A "non-artist" is a Newspeak kind of word, and has meaning only in the context of its opposite, Zizka noted.

His father and sister remain in Czechoslovakia, his father a director of *spartakiada*, a type of public pageant involving thousands of people who form pictures while performing calisthenics.

Zizka said he was quite happy in the United States. The Zizkas' production of "Animal Farm," which made quite a splash in Philadelphia, cost all of $600. Since assuming leadership of the Wilma, which was founded in 1973, the two have increased the budget from $29,000 a year to $500,000 and signed an agreement with Actors Equity. Their 100-seat theater plays to 99-percent capacity, and they are looking for a larger place. Their trip to Washington was their first "tour," and Zizka was delighted about it.

"Washington is the perfect place for '1984,' " he said, gleefully, "because it is a political piece. And what better place to talk to people about Doublethink and Doublespeak?"

PEOPLE

Queen Richest in U.K.

Queen Elizabeth II, the Duke of Westminster and members of the Sainsbury grocery family were identified Monday as Britain's richest people, London's Daily Mirror newspaper reported. The report said that while the queen's fortune is "countless," the Duke of Westminster, **Gerald Cavendish Grosvenor**, 34, who owns large areas of central London as well as country estates and property abroad, is worth up to £3 billion ($4.5 billion), and the Sainsburys, who own a grocery chain, are worth up to £2 billion ($3 billion).

□

The MacDowell colony's annual medal for lifetime achievement in the arts was awarded for the first time in its 27-year history to a photographer on Sunday. The New Hampshire colony, a working retreat for artists, gave the award to **Lee Friedlander**, 52, whose work for the last 25 years has been a major influence in art photography. Past medal winners include the composers **Aaron Copland** and **Edgar Varese**, the writers **Eudora Welty** and **John Updike**, and the painters **Edward Hopper** and **Georgia O'Keeffe**.

□

The Beatles and **The Monkees**, two 1960s rock groups, are back on the record charts this summer. The Beatles' version of "Twist and Shout" was number 65 on the Billboard charts, 22 years and three months after the Fab Four made Billboard's Top 100 chart with the song, in May 1964. Four re-releases of Monkee albums and a new album made by three members of the group are in the Billboard charts.

□

The Judds, a mother and daughter team, and **Reba McEntire**, a former rodeo performer, nominated for five awards apiece, lead the finalists for the 20th annual Country Music Association awards. Other finalists for the awards to be announced Oct. 17 include **Willie Nelson**, **Ricky Skaggs** and **George Strait**, nominated for best entertainer, **Rosanne Cash**, **Janie Frickie**, **Emmylou Harris** and **Anne Murray**, for best female vocalist, and **George Jones** and **Hank Williams Jr.**, for best male vocalist.

□

The youngest holder of the Soviet Union's order of "Heroine Mother-First Class" is pregnant again — four months after delivering her eleventh child. **Antaram Kiriakosyan**, 32, is the mother of 11 children, six girls and five boys, the Communist Party newspaper Pravda said Monday. Mothers of 10 children are awarded the title "Heroine Mother-First Class" by the state, which hopes to encourage large families. . . . The Joyce quintuplets — **Megan**, **Lauren**, **Ryan**, **Christopher** and **Kevin** — celebrated their third birthday Monday at a small party with their parents, **Jennifer** and **Jerry Joyce**, and other relatives in Sea Girt, New Jersey.

□

John Evans, thought to be Britain's oldest man, celebrated his 109th birthday Tuesday with a royal telegram, a family party — and a new lease on life from a recently implanted heart pacemaker. Evans, who lives in a village in south Wales, attributed his longevity to never drinking, smoking or swearing. "It just doesn't do to get in a temper," he said.

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